

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of Commissioners

FROM: Jessie Graves

DATE: August 28, 2023

RE: Agreement Amendment No 1. between Jefferson County Auditor
and Washington State Department of Licensing

STATEMENT OF ISSUE:

Contract Amendment to update the Agent from Rose Ann Carroll to Brenda Huntingford.

ANALYSIS:

Update County Agent on the contract, replacing Rose Ann Carroll with Brenda Huntingford, effective immediately; Brenda Huntingford is the newly elected County Auditor for Jefferson County.

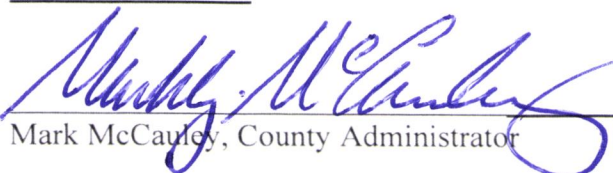
FISCAL IMPACT:

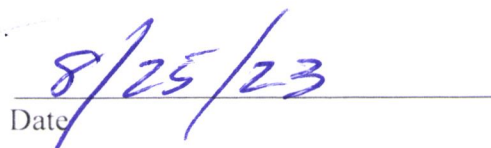
None.

RECOMMENDATION:

Approve,

REVIEWED BY:


Mark McCauley, County Administrator


Date

CONTRACT REVIEW FORM

Clear Form

(INSTRUCTIONS ARE ON THE NEXT PAGE)

CONTRACT WITH: Washington State Department of Licensing Amend Contract No: K6981
Contract For: Vehicle/Vessel Licensing Term: January 1, 2020 to June 30, 2025

COUNTY DEPARTMENT:	Auditor's Office
Contact Person:	Brenda Huntingford
Contact Phone:	360-385-9358
Contact email:	bhuntingford@co.jefferson.wa.us

AMOUNT: n/a
Revenue: _____
Expenditure: _____
Matching Funds Required: _____
Sources(s) of Matching Funds: _____
Fund #: _____
Munis Org/Obj: _____

PROCESS:

☐	Exempt from Bid Process
☐	Cooperative Purchase
☐	Competitive Sealed Bid
☐	Small Works Roster
☐	Vendor List Bid
☐	RFP or RFQ
☒	Other: <u>Contract Update/Amendment</u>

APPROVAL STEPS:

STEP 1: DEPARTMENT CERTIFIES COMPLIANCE WITH JCC 3.55.080 AND CHAPTER 42.23 RCW.

CERTIFIED: ☐ N/A: ☒ Jessie Shaves 8/18/23
Signature Date

STEP 2: DEPARTMENT CERTIFIES THE PERSON PROPOSED FOR CONTRACTING WITH THE COUNTY (CONTRACTOR) HAS NOT BEEN DEBARRED BY ANY FEDERAL, STATE, OR LOCAL AGENCY.

CERTIFIED: ☐ N/A: ☒ Jessie Shaves 8/18/23
Signature Date

STEP 3: RISK MANAGEMENT REVIEW (will be added electronically through Laserfiche):

Electronically approved by Risk Management on 8/22/2023.
Simple name change amendment to a state contract.

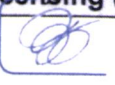
STEP 4: PROSECUTING ATTORNEY REVIEW (will be added electronically through Laserfiche):

Electronically approved as to form by PAO on 8/25/2023.
State language - cannot change.

STEP 5: DEPARTMENT MAKES REVISIONS & RESUBMITS TO RISK MANAGEMENT AND PROSECUTING ATTORNEY(IF REQUIRED).

STEP 6: CONTRACTOR SIGNS

STEP 7: SUBMIT TO BOCC FOR APPROVAL

		AMENDMENT TO COUNTY LICENSING AGENT AGREEMENT BETWEEN THE DEPARTMENT OF LICENSING AND JEFFERSON COUNTY AUDITOR'S OFFICE		DOL Contract No. K6981 Amendment No. 1	
Contractor/Agent					
Contract Manager Brenda Huntingford			Address 1820 Jefferson St Port Townsend, WA 98368		
(Area code) Telephone (360) 385-9115			E-Mail bhuntingford@co.jefferson.wa.us		
Department of Licensing (DOL)					
Contract Manager Jaime Grantham			 8/16/2023 Department administration Vehicle and Vessel Operations, Customer Relations		
(Area code) Telephone (360) 902-3718			E-Mail jgrantham@dol.wa.gov		
Amendment:					
The purpose of this amendment is to: Update County Agent on the contract, replacing Rose Ann Carroll with Brenda Huntingford, effective immediately; Brenda Huntingford is the newly elected county auditor for Jefferson County.					
The execution of this Amendment shall constitute a ratification of any earlier agreement between the parties, hereto, the terms and conditions of which are contained herein. The parties have executed this Amendment as the later signature dates included below. All other terms and conditions of the original Contract and any subsequent amendments there to remain in full force and effect. The parties hereby acknowledge and accept the terms and conditions of this amendment which is executed by the persons signing below who warrant that they have the authority to execute it on behalf of DOL and the Contractor/Agent.					
Agent Signature		Date		DOL Signature	
Name Brenda Huntingford		Name Evelyne Lloyd		Date	
Title Jefferson County Agent		Title Assistant Director Administrative Services Division		Date	
E-Mail bhuntingford@co.jefferson.wa.us		E-Mail ELloyd@dol.wa.gov		Date	
(Area code) Telephone (360) 385-9115		(Area code) Telephone (360) 902-4044		Date	

Board of County Commissioners
Jefferson County, Washington

By: _____
Greg Brotherton, Chair
K6981-01

Date

Approved as to form only:



August 25, 2023

Philip C. Hunsucker
Chief Civil Deputy Prosecuting Attorney

Date

COPY

WASHINGTON STATE DEPARTMENT OF LICENSING		COUNTY LICENSING AGENT AGREEMENT BETWEEN DEPARTMENT OF LICENSING AND JEFFERSON COUNTY AUDITOR'S OFFICE		DOL Reference No. K6981 Agent Reference No. VO1601	
General Information					
Start date January 1, 2020		End date June 30, 2025		Amount Non-Financial	
Purpose (brief description) This is a standardized Agreement for use by the Department of Licensing when contracting for services with a County Licensing Agent as set forth in RCW 46.01.140.					
Agent					
Agent Name Rose Ann Carroll			Email carrollra@co.jefferson.wa.us		
Agent Address 1820 Jefferson St Port Townsend, WA 98368-6951			Agent Mailing Address (if different)		
Agreement Manager Brenda Huntingford			Agreement Manager Telephone 360-385-9115		Agreement Manager Fax
Agreement Manager Mailing address (if different from Agent Address)			Agreement Manager Email bhuntingford@co.jefferson.wa.us		
Department of Licensing (DOL)					
Department Administration Vehicle and Vessel Operations			Division Customer Relations		
Agreement Manager Jaime Grantham			Address PO Box 9020 Olympia, WA 98507-9020		
Telephone (360) 902-3718		Fax 360-570-1248		Email jgrantham@dol.wa.gov	
Attachments					
The Agreement consists of the following attachment(s) and document(s) incorporated herein or by reference: Attachment A – Statement of Work Attachment B – Data Security Requirements Attachments C – Title VI Compliance Attachment D – Listing of Policy and Procedure Subagent Contract Template – incorporated herein					
ALL WRITINGS CONTAINED HEREIN: This Agreement, together with the attachments, exhibits, and all other documents incorporated herein contains the entire agreement of the parties as now written and agreed upon. No other understanding, oral or otherwise, regarding the subject matter of this Agreement has any effect. The parties executing this Agreement affirm they have the authority to bind their respective entities herein. This Agreement is affective upon mutual execution of the parties.					
Agent Signature 		Date 11-27-19		DOL Signature 	
Name / Title Rose Ann Carroll Jefferson County Agent		Name / Title: Evelyn Lloyd Assistant Director, Administrative Services Division			
OPTIONAL APPROVAL AS TO FORM: County Prosecuting Attorney Signature		AAG Approval on File.			
Print Name 		Date 			

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THIS AGENT AGREEMENT (hereinafter "Agreement") is between the Washington State Department of Licensing (hereafter referred to as "DOL" or "Department") and the County Licensing Agent, listed on the first page, acting on behalf of the Jefferson County Auditor's Office (hereafter referred to as "Agent"). DOL and Agent also may be individually referred to as Party, or jointly referred to as Parties.

In consideration of the mutual terms and conditions herein, the Parties hereby agree as follows:

BACKGROUND INFORMATION

1. PURPOSE OF THIS AGREEMENT

The Director of DOL (Director) has the general authority per Chapter 46.01 RCW and Chapter 88.02 RCW for supervising and controlling the issuance of vehicle and vessel titles and registrations, and the collection of related fees and taxes. RCW 46.01.130, grants the Director the ability to appoint and contract with Agents to perform licensing services on DOL's behalf.

The purpose of this Agreement is to provide for the appointment of the County Auditor or other designated individual as an Agent of DOL, and to establish the performance requirements, terms, conditions, and restrictions of that Agent.

2. DEFINITIONS

The terms used in this Agreement have the following meanings:

Confidential Information means information that may be exempt from disclosure to the public or other unauthorized persons under either Chapter 42.56 RCW or other local, state, or federal statutes, and data defined as more sensitive than "public" and requires security protection. Confidential Information includes, but is not limited to, vehicle legal owner, credit card information, Personal Information, law enforcement records, agency security data, and banking profiles.

Director means the Director of the Department of Licensing.

DRIVES means DOL's technology system for processing of vehicle and vessel transactions and collection of State revenues pursuant to this Agreement.

Personal Information means information that identifies an individual, including an individual's photograph, social security number, driver identification number, name, address (but not the five-digit zip code), telephone number, or medical or disability information. Personal Information is a form of Confidential Information, a term used in accordance with Data Security Requirements.

Policy and Procedure means DOL's policies and procedures that describe how the Agent, Agent Vehicle License Representatives, Subagent, and Subagent Vehicle License Representatives shall carry out the work under this Agreement.

Property means any equipment, supplies or inventory supplied by DOL to Agent or to Subagent as a third party provider for use at VLOs.

Subagent or Appointee means the appointed individual(s) who provide(s) services for vehicle certificates of title and vehicle registration applications and issuance under the direction and supervision of the Agent under separate agreement, for the purposes of performing the duties pursuant to this Agreement. This definition is consistent with the meaning established in RCW 46.01.140.

Vehicle Licensing Representative (VLR) means a specified employee authorized to provide vehicle and vessel title and registration services, and collect related fees and taxes as set

forth in this Agreement. Such term may further be qualified as being an Agent VLR or Subagent VLR.

Vehicle Licensing Office (VLO) means the location/facility where the respective Agent or Subagent carries out the duties set forth in this Agreement. Such term may further be qualified as being an Agent VLO or Subagent VLO.

Work means all licensing activities to be performed by Agent under this Agreement and pursuant to RCW 46.01.130 and RCW 46.01.140.

TERMS AND CONDITIONS

3. APPOINTMENT AND AGREEMENT WITH AGENT

In accordance with Chapter 46.01 RCW, Director hereby appoints Agent to be a limited purpose agent of DOL and contracts with Agent to provide all services authorized by Titles 46 and 82 RCW for the purpose of licensing and titling vehicles and vessels, collecting vehicle and vessel fees, excise taxes, and other fees and taxes, in addition to all other functions outlined in this agreement.

The actual performance of duties is to be carried out by specified employees of the Agent, called Vehicle License Representatives (VLRs). All terms, conditions, and restrictions in this Agreement that directly apply to the Agent, also apply to the VLRs.

Agent accepts the appointment and agrees to perform all duties set forth in this Agreement in accordance with the terms, conditions, and requirements herein.

Agent's appointment automatically continues with any extension of this Agreement, but terminates upon the expiration or termination of this Agreement.

4. TERM OF AGREEMENT

This Agreement begins on January 1, 2020, and ends on June 30, 2025, unless terminated sooner or extended as provided herein. This Agreement may be extended for additional periods of time at the mutual agreement of the Parties.

5. SCOPE OF WORK

The scope of functions, duties, and services to be performed by the Parties is set out in Attachment A – Statement of Work. Each party shall furnish the necessary personnel, equipment, materials, and/or services and otherwise do all things necessary for or incidental to the performance of the functions set forth in Attachment A.

Agent will provide the licensing services (Work) as described in this Agreement including contracting with and overseeing the Work of its Subagents. DOL will provide the necessary Property to support the Agent in performing their work. DOL will be acting as a third-party provider at Agent's direction in providing services, equipment, supplies and inventory to Agent's Subagents.

6. COMPLIANCE WITH POLICY AND PROCEDURE

All work performed pursuant to this Agreement, whether by Agent or Agent VLRs, shall be performed in a manner that fully conforms to this Agreement, its attachments and to Policy and Procedure.

This requirement is ongoing throughout the term of this agreement and applies to future Policy and Procedure as implemented and/or amended by DOL. A list of all applicable Policy and

Procedure is attached as Attachment D. Additional Policy and Procedure will be deemed as being fully incorporated into this agreement upon the Agent receiving notice of the same.

DOL will provide notice if it amends Policy and Procedure. Agent or designee shall be provided the opportunity to review all proposed amendments to the Policy and Procedure as provided by DOL before adoption. DOL will consider, and where feasible, adopt Agent feedback. Upon Agent receiving such notice, Agent will be responsible for forwarding notice of amended Policy and Procedure to their Subagents.

Agent will track Agent and Agent VLR's review of the established Policy and Procedure.

7. COMPENSATION

Agent will charge, collect, and retain fees only as authorized by statute, which includes retaining a portion of the fees collected by its Subagents. Agent VLRs must process and collect all applicable vehicle and vessel licensing and titling fees and taxes per DOL Policy and Procedure using DOL's DRIVES system. Agent will not be compensated or reimbursed by DOL, except as set forth in RCW 46.68.220.

8. SAFEGUARDING PERSONAL INFORMATION

Information received and/or accessed in connection with this Agreement may include Personal Information. Agent shall comply with all local, federal, and state laws and regulations, as currently enacted or revised, regarding data security and electronic data interchange of such Personal Information. Agent shall further safeguard and protect all Personal Information against any unauthorized disclosure, use, or loss as set forth in Attachment B - Data Security Requirements. These safeguarding requirements apply to all Personal Information regardless of whether such information came from DOL or from the general public.

Agent has a continuing obligation to ensure all of its Agent VLRs, Subagents, and Subagent VLRs fully understand and comply with all safeguarding requirements.

9. DATA OWNERSHIP

All Data contained in the DOL DRIVES system, is the property of DOL, including Data entered into the system by Agent or its Subagent. This Agreement grants a license to the Agent to access and use that Data pursuant to the Permissible Uses and other requirements contained herein. This grant of license does not provide Agent with any ownership rights to the Data. At all times, DOL remains the sole owner of the Data.

10. PERMISSIBLE USE

Any data containing Personal Information accessed pursuant to this Agreement is for official use only. The Permissible Use of Personal Information is solely for the purposes of carrying out the duties authorized under this Agreement and as set forth in Title 46 RCW and Chapter 88.02 RCW. Use of Personal Information for any other purpose is strictly prohibited. This prohibition includes, but is not limited to:

- (a) Disclosing Personal Information to any public persons, or public and private entities, including local, state and federal governments and/or state agencies other than DOL. If entities, including law enforcement agencies seek data containing Personal Information, Agent must inform such entity to directly request the information from DOL.
- (b) Using Personal Information for unsolicited business contact, or other commercial purpose is prohibited unless specifically authorized by DOL or otherwise as directed by law.
- (c) In accordance with Governor's Executive Order 17-01, using the Data for purposes of targeting or apprehending persons for violation of federal civil immigration laws, except as

required by federal or state law or otherwise authorized by the Governor.

Agent has a continuing obligation to ensure that all of its Agent VLRs, Subagents, and Subagent VLRs fully understand and comply with all Permissible Use requirements.

11. OVERSIGHT: MONITOR, AUDIT, AND INVESTIGATE

DOL will monitor, audit, and investigate the actions and performances of the Agent. For purposes of this section, the actions and performances of the Agent inherently include the actions and performances of the Agent's VLRs, Subagents, and Subagent VLRs who are performing services under this Agreement and/or the Subagent Agreement. DOL has equal rights to monitor, audit and investigate all of the Agent's VLRs, Subagents, and Subagent VLRs and the Agent will assist DOL in such matters as requested.

Notwithstanding DOL's rights as stated above, the Agent shall monitor, audit, and investigate its own performance and the performance of its VLRs, Subagents, and Subagent VLRs. Agent shall maintain an annual audit schedule for each of its Subagents. Agent will make the audit schedule available to DOL upon request. Any DOL audit or investigation on the Agent may include whether the Agent is engaging in proper oversight and responsive action concerning its VLRs, Subagents, and Subagent VLRs' performance of activities.

(a) Levels of Oversight:

- 1) Monitor: DOL may monitor Agent performance under this Agreement at any time. Monitoring is the general review of transactions performed by the Agent or on behalf of the Agent, and includes reviewing service quality, customer service standards, and ethical standards and conduct. Monitoring is performed as part of DOL's general routine practices, and as directed by Policy and Procedure.
- 2) Audit: DOL shall audit the Agent's performance under this Agreement at least once per year. DOL may perform additional audits as necessary. Audits are the formal examination of facilities, equipment, records, actions, practices, and requirements of an Agent related to performance of this Agreement. Audits may include, but not be limited to, review of facility and maintenance requirements, the performance and compliance of all title and licensing transactions, Policy and Procedure, reports, revenue collections and other accounting practices, the safeguarding of equipment, the safeguarding and permissible use of Personal and Confidential Information, the maintenance of inventories, records, and documents, and Subagent and Subagent VLR compliance and oversight.
- 3) Investigate: DOL may, at its sole discretion, investigate the Agent's performance under this Agreement. Investigation is the act of inquiring into and/or examining specific actions or omissions of the Agent or any VLRs acting on its behalf. The investigation may be initiated based on information DOL acquires through its monitoring or auditing functions, or through an outside source. DOL may expand the scope of an investigation or conduct an audit if it discovers additional actions that require further exploration. DOL's investigation into an Agent does not need to be equally performed among all Agents statewide.

(b) Access to DOL

For purposes of any monitoring, investigation, or audits, Agent shall grant DOL full access to the Agent's facilities, documents, records and other related matters in relation to the performance of this Agreement. Agent shall further facilitate the inspection and production of requested records and documents. Agent must also require its Subagents to provide open

access to its facilities and records, to the same extent as required of the Agent herein.

(c) DOL Written Report:

DOL will provide the Agent with a written report detailing the results of any investigation or audit that provides deficiency findings. The Agent will have sixty (60) calendar days to review and/or respond to the written report.

(d) Responsive Action:

Agent will immediately address all discrepancies and violations detailed in any audit or investigation report provided by DOL. DOL will work with Agent in good faith on all deficiency findings and will assist with additional training opportunities where applicable.

12. BREACH; SUSPENSION; TERMINATION; DAMAGES

Agent's noncompliance with any terms, conditions, restrictions, or required performances of this Agreement may be deemed a breach. This includes the noncompliance of its VLRs; it also includes the noncompliance of its Subagents and/or Subagent VLRs only if such noncompliance is not addressed by the Agent. For purposes of this Agreement, there are three established levels of breach, each defined below.

DOL, at its sole discretion, determines the level of the breach and appropriate response based on the nature, frequency, materiality, and severity of the actions or omissions that caused the breach. Breaches provided are listed in order of increasing severity and are not intended to be all-inclusive, nor is there any requirement that the type of action taken start at the lowest level and be sequential. This determination is solely at DOL's discretion although for a Level II or Level III Breach. DOL must allow Agent the opportunity to fully address a Level II or III Breach before DOL's final decision is made.

(a) LEVEL I BREACH - Warning

DOL will issue a Level I Breach when DOL determines the nature of the breach is relatively minor, and the issue is best resolved by providing a warning.

Notice of Breach: The written notice of Level I Breach will be issued to the Agent in a timely manner, but no later than thirty (30) calendar days after DOL makes the determination that the improper conduct constituted a Level I Breach. The written notice will be delivered to the Agent in person, by mail, or via email using the current contact information for the Agent Agreement Manager. The written notice must specify that it is a "Level I Breach" and will include the specific provision(s) of the Agreement that are in breach. The notice may also include specific direction to resolve breach. DOL must keep a formal record of the date and subject matter of each warning, and any corrective action required therewith.

(b) LEVEL II BREACH – Formal Corrective Action

DOL will issue a Level II Breach when DOL determines the nature of the breach is significant and/or continual enough to require formal corrective action.

Notice of Breach: The written notice of Level II Breach will be issued to the Agent in a timely manner, but no later than thirty (30) calendar days after DOL makes the determination that the improper conduct constituted a Level II Breach. The notice will be delivered to the Agent in person, by mail, or email using the current contact information for the Agent Agreement Manager. The notice will specify that it is a "Level II Breach" and will include the specific provision(s) of the Agreement that are in breach. The Agent or the Agent's Agreement Manager is required to provide written acknowledgment of receipt within five (5) calendar days from receiving the notification.

Agent Response: Agent must provide a written response to DOL within fifteen (15) calendar

days from the issue date the Level II Breach notice. Agent's response must include the action(s) taken (or to be taken) by the Agent in order to correct and resolve each breach. DOL will review the Agent's response and determine whether the Agent's actions provide a proper resolution to the breach.

Corrective Action: If DOL determines the agent's remedy is insufficient, DOL will prescribe its own corrective action plan. DOL will provide written approval of the remedy, or its own corrective action plan, within ten (10) calendar days from receiving the Agent's response. Agent's failure to respond to a Level II Breach notice, or its noncompliance with approved remedy or corrective action plan, is grounds for a Level III Breach.

When DOL deems the corrective action complete and each breach is fully cured, DOL will provide written notice of cure to the Agent.

(c) LEVEL III BREACH – Termination for Cause

DOL will issue a Level III Breach when DOL determines the nature of the breach is so severe and/or continual that it constitutes grounds for termination of the Agreement.

1) Level III Breach – Prohibited Activities

The following represents a non-inclusive list of prohibited activity and/or behavior that is strictly disallowed and would be cause for a level III Breach as related to Agent and Agent VLRs:

- Offering a bribe, accepting a bribe or soliciting a bribe in the course of Agent business.
- Charging or soliciting payment of, fees other than those prescribed by law; making "kickbacks" of fees or reimbursement, refunding or not charging fees, or making any economic inducement for the purpose of soliciting or increasing service volume of the Agent.
- Receiving, accepting, taking, seeking, soliciting, or giving directly or indirectly, anything of economic value, such as a gift, gratuity, favor or incentive to or from any person or organization in relation to the conducting of business and Agent or Subagent business under terms of this agreement.
- Making false or fraudulent written statements.
- Using or being under the influence of alcohol, marijuana, narcotics, or prescribed or non-prescribed controlled substances to the point it impairs performance under the terms of this Agreement. The use, possession, distribution, dispensing, or manufacture of alcohol, marijuana, or controlled substances in the work site or work vehicles.
- Failing to properly safeguard confidential information, or the willful misuse or distribution of such information.
- Failing to properly remedy inappropriate conduct by Agent VLRs, Subagent or Subagent's VLRs after DOL has provided Agent and/or Agent has provided subagent notification, regardless of whether such notice was in lieu of a warning, reprimand, or suspension.
- Committing any act of fraudulent or dishonest dealing or crime in relation to the ability to perform duties under this Agreement.
- Failing to provide reasonable oversight to prevent fraud, illegal acts, or Agreement breach of Subagent(s) and VLRs.
- Misusing the public trust pertaining to the position of an Agent, Subagent and/or VLRs.
- Abandoning the business.

- Employing or maintaining the employment of any person who has been convicted of a felony, a misdemeanor or gross misdemeanor related to the performance of services provided for in this Agreement.

Notice of Breach: The written Notice of Level III Breach will be issued to the Agent in a timely manner, no later than thirty (30) calendar days after DOL's determination that the conduct constituted a Level III Breach. The notice will be delivered to the Agent in person, by mail, or via email to the current contact information for the Agent, and the Agent's Agreement Manager. Both Agent and the Agent's Agreement Manager must be provided notice of the Level III Breach; although it only needs to be provided once if the same individual serves both roles. The notice must specify that it is a Level III Breach and include the specific provision(s) of the Agreement that have been breached.

Agent Response: Agent must provide a written response to DOL within five (5) calendar days from the issue date the Notice of Level III Breach. Agent's response must include an explanation of the circumstances of the breach and the action(s) taken (or to be taken) if any by the Agent in an attempt to resolve the breach if possible or lessen its impacts. If the Agent does not provide a timely written response, this Agreement may be suspended until such time that the Agent provides a written response. DOL will then provide for a Termination Meeting with the Agent, as described below.

Immediate Suspension: DOL, depending on the nature and severity of the breach, may also elect to immediately suspend the Agent's ability to perform transactions under this Agreement. If DOL chooses to suspend this Agreement, DOL must include in its notice how the actions of the Agent (or its VLRs) could cause immediate harm or damage to the State of Washington, DOL, and/or the public at large. Agent must then provide notice to the public that its office is temporarily closed.

2) **Level III Breach - Termination Meeting:**

DOL will arrange for a Termination Meeting to take place within fourteen (14) calendar days of the date of the Agent's response to the notice of the Level III Breach, unless DOL and Agent mutually agree upon another date. The Termination Meeting will take place in-person unless the parties agree to a telephonic or web-based meeting. The purpose of the Termination Meeting is to determine the following:

- Whether the Agent agrees or contests, in whole or in part, to the underlying factual elements of the breach, as presented by DOL;
- Whether DOL needs to engage in further investigation to determine whether the breach was caused, permitted, and/or allowed by the Agent based on facts presented;
- Whether a temporary suspension of the Agreement will be maintained or implemented during any additional period of investigation, corrective action, and/or decision making;
- Whether additional meetings are required to determine the ongoing level of compliance; and
- Whether the Agent should be given the opportunity to cure the breach through corrective action, and/or whether the Agreement should be immediately terminated, suspended for a set period, or whether the matter should be reduced to a Level II Breach.

Agent waives their right to a Termination Meeting by not appearing at the designated time and place of the meeting.

Final Decision: Upon conclusion of the Termination Meeting or waiver of said meeting, DOL will issue a written Final Decision, which must include the basis for the decision, and must be issued within ten (10) calendar days of the Termination Meeting or waiver. If termination is confirmed, then the Final Decision will immediately terminate this Agreement upon issuance. If a different outcome is determined, then the parties will follow the requirements as set forth in the Final Decision.

(d) APPEAL PROCESS

Agent has the right to appeal a Final Decision of DOL that results in a suspension or a termination. The appeal is made by initiating a court action in Superior Court. A Level I and Level II breach, or a temporary suspension during any investigative or corrective action period are not subject to appeal.

13. NON-BREACH TERMINATIONS; POST-TERMINATION PROCEDURES

Termination for Convenience: Either Party may terminate or suspend this Agreement for convenience by providing at least one-hundred twenty (120) calendar days' written notice. Any such termination/suspension must be set in writing and executed by the authorized signatory of the Party.

Administrative Termination: If either Party's authority to actively engage in this Agreement is compromised, suspended, or terminated, whether by a lack of funding, or by any other governmental issue, including changes in statute, administrative codes, or the agency's policies, that party may terminate or suspend this Agreement for convenience. The terminating/suspending Party is to provide as much notice as possible to the other party, and to any affected Subagents when such termination or suspension appears eminent.

Termination Effect on Subagent Agreements: Should this Agreement be suspended or terminated for any reason, the Agent's appointment would automatically cease, as would all Agent licensing activities authorized under this Agreement. Subagent agreements will be equally suspended or terminated, except that such Subagent Agreements may be assigned to DOL until such time that the Agent is reinstated or a new agent is appointed. The assignment of the Subagent Agreements is at the discretion of DOL, and must be equally offered to all Subagents of that Agent.

Post-Termination Procedures: After termination of this Agreement for any reason, and except as otherwise directed by DOL, Agent must settle all outstanding liabilities and claims arising from any work under this Agreement and return all equipment and supplies as required herein.

The Parties will also perform all Agent VLO Closure procedures as noted in the Statement of Work – Attachment A, Section 7.

14. INSURANCE

DOL Coverage: DOL certifies it is self-insured under the State's self-insurance liability program, as provided by RCW 4.92.130, and shall pay for losses for which it is found liable.

Self-Insurance Coverage If Agent, as a governmental agency, is self-insured under a self-insurance liability program that provides equal or greater coverage than the requirements set forth below, then Agent may maintain such program as an alternative to the below requirements.

Insurance Requirements: Agent must maintain at its own cost and expense commercial general liability insurance, including personal injury and contractual liability of no less than \$1,000,000 per occurrence and a general aggregate limit of no less than \$2,000,000.

- The insurance policy must be issued by an insurance company authorized to do business

- within the state of Washington, and except for professional liability insurance, must name the Department of Licensing and the state of Washington as additional insureds under the policy(s).
- Prior to performance of work under this Agreement, and upon each insurance renewal thereafter, Agent must furnish to DOL a self-insurance letter or Certificate(s) of Insurance (COI) executed by the duly authorized representative of each insurer. DOL, at its discretion, has the right to request updated copies of COI, but failing to request the COI does not relieve Agent of its affirmative duty to provide it.
- All policies of the Agent provided in compliance with this Agreement must be primary with respect to its operations as to any other insurance programs afforded to or maintained by DOL or state of Washington.

Subagent Insurance: Agent must ensure that Subagent(s) comply fully with all insurance requirements stated in their Agent/Subagent Agreements. Failure of Subagent(s) to comply with insurance requirements does not limit Agent's liability or responsibility.

15. AGREEMENT ALTERATIONS AND AMENDMENTS

This Agreement may only be amended by mutual agreement of both parties. Such amendments are not binding until they are in writing and signed by personnel authorized to execute the same for each respective party.

Notwithstanding the above paragraph, and pursuant to RCW 46.01.140, Policy and Procedure may be unilaterally amended and/or implemented by DOL. Agent will remain subject to the Policy and Procedure as amended, and will be responsible for providing its Subagents notice and copies of any amendments.

16. AUTHORIZED SIGNATORIES

DOL: The authorized signatory for DOL is the Director, or his/her designated delegate as appointed in writing. No assumed or implied authority is allowed for such purposes.

Agent: The authorized signatory is the Agent or its delegate as appointed in writing.

17. AGREEMENT MANAGEMENT

The Agreement Manager(s) for each party is indicated on the first page of this Agreement. Each respective Agreement Manager is a primary contact person for all communications, billings, and notices regarding the accounting, compliance, breach, and performance issues of this Agreement. Notices and communications may be provided by hand delivery, U.S. postal services, or electronically via email to the last address/email on record. Additionally, delivery of a notice to the named Agent will also suffice as providing proper notice.

Each Party has a continuing obligation to provide the other party with the current name, phone number, and email address of that Party's respective Agreement Manager and Signatory. This is an affirmative duty that must be maintained current. Notice of changes to the Agreement Management should be made in writing, sent via mail or email, and provided in advance of the change, or as soon thereafter as possible.

Agent must provide DOL with a fully executed copy of each Subagent Agreement. When there is a change in any Subagent Agreement management, the Agent's Agreement Manager must update DOL in writing of such changes.

Each party bears the consequences of a missed communication or notice, if delivery of such matter was not received due to that party's failure to provide updated Agreement management information.

18. ASSIGNMENT AND USE OF SUBAGENTS

In accordance with RCW 46.01.140, Agent may contract with Subagents to perform duties authorized under RCW 46.01.140(4). A copy of the standard Subagent Agreement template is incorporated herein by this reference. No other subcontracting or assignments of this agreement are allowed, unless previously approved in writing by DOL.

DOL is not a party to the Subagent Agreement. The Agent is responsible for its Subagent's compliance with this Agreement and shall further ensure that the Subagent follows the Department's reporting formats and procedures as specified by the Department.

Where DOL identifies incidents of non-compliance by a Subagent, DOL may terminate this Agreement with the Agent pursuant to Section 14. In no event shall the existence of a Subagent Agreement operate to release or reduce the liability of the Agent to DOL for any breach in the performance of the Agent's or Subagent's duties.

Selection of Subagent: Agent must use an open competitive process as set forth in RCW 46.01.140. Only upon completion of an open competitive process, and upon the completion of a criminal background check on all Subagent Appointees, the Agent will make a recommendation to the DOL Director for appointment of the Subagent.

Appointment of Subagent: The Director of DOL has final appointment authority for all Subagents. Agent may not enter into the Subagent Agreement with the Subagent until DOL provides written notice of the Director's appointment for that Subagent. If Agent terminates its Subagent Agreement, DOL's appointment for that Subagent is automatically cancelled.

19. DISPUTES

The parties agree the services of this Agreement concern the best interest of the public, therefore all disputes under this Agreement are to be resolved as amicably and as timely as possible.

Good Faith Efforts: The parties agree to in good faith promptly resolve any dispute, controversy or claim arising out of or relating to this Agreement, through negotiations between senior management of the parties. If the dispute cannot be resolved within 30 calendar days of initiating such negotiations, the parties may agree upon an alternative dispute resolution process. Unless the parties agree that submission to alternative dispute resolution would be futile, this provision is a prerequisite to either party filing an original action in superior court.

Continued Performance: Pending dispute resolution or court action, both parties will continue to carry out their respective responsibilities under this Agreement.

Exception for Breach: The dispute process herein does not apply to any determination of Breach, corrective action, or a suspension or termination for cause, which is disputed as set forth in Section 13 D.

20. GOVERNING LAW AND VENUE

The laws of the state of Washington govern this Agreement. In the event of a lawsuit or other legal action involving this Agreement, the venue will be Thurston County Superior Court.

Order of Precedence: In the event of an inconsistency in this Agreement, unless otherwise provided herein, the inconsistency is to be resolved by giving precedence in the following order:

- 1) Applicable federal and state statutes and regulations
- 2) Terms and Conditions of this Agreement
- 3) Statement of Work, Attachment A
- 4) Data Security Requirements, Attachment B

- 5) Title VI Requirements, Attachment C
- 6) Listed Policies and Procedures, Attachment D

21. LIMITATION OF LIABILITY

DOL will not be responsible for any financial and/or material loss to the Agent or any Subagent for down time of business, equipment, communication lines or DOL operating systems during normal operating hours. DOL may not be held liable for any errors which occur in compilation of Data, nor may DOL be held liable for any delays in furnishing amended Data.

22. INDEMNIFICATION AND HOLD HARMLESS

Each Party is responsible for the actions and omissions of itself and its own officers, and employees acting within the scope of its authority, and shall hold the other party harmless against all losses, and claims for damages resulting from its own negligent acts and/or omissions, arising out of or resulting from its performance of this Agreement.

DOL understands that it cannot hold Agent responsible for noncompliance to the extent that such noncompliance was caused by DOL's failure to first perform its own obligations as stated herein.

The Agent further agrees to indemnify, defend and hold the DOL harmless from damages caused solely by the acts or omissions of the Agent's Subagents relating to matters associated with this Agreement; this includes but is not limited to, Safeguarding DOL Information, Ownership/Rights in Data and Permissible Use sections of this Agreement.

23. INDEPENDENT CAPACITY OF PARTIES

Each party, including its directors, executives, and employees, is a separate and independent self-governed entity acting under its own authority. For the purpose of this Agreement, Agent is an independent contractor and employees of Agents, Agent VLRs, Subagent(s) and Subagent VLRs may not be considered as being employees, contractors, or subcontractors of DOL.

24. LEGAL COMPLIANCE

Agent shall comply with all applicable local, state, and federal laws, rules, and regulations. Such compliance includes, but is not limited to, all applicable licensing requirements of the state of Washington, all civil rights and non-discrimination laws, the Americans with Disabilities Act (ADA) of 1990, and all federal and state employment laws, including Title VI requirements as set forth on Attachment C. Failure to comply with this provision may be grounds for termination of this Agreement regardless of any effect such non-compliance may have on the subject matter of this Agreement.

25. RECORDS MAINTENANCE

Each party shall maintain books, records, documents, and other evidence that fully reflect all transactions made by them pursuant to this Agreement. This includes records that reflect the receipt, retention, and disbursement of all fees and taxes, and all costs expended in the performance of the duties and services herein. This includes, but is not limited to, all banking deposit and withdrawal slips, reconciliation statements, and other documents whether in paper or electronic form.

Agent shall maintain all records, documents, and other evidence as it relates to the receipt, usage, and/or maintenance of all supplies, inventory, and equipment provided under this Agreement.

Agent shall maintain records of all other matters concerning compliance with this Agreement, and as further directed by Policy and Procedure.

Agent shall retain all records in accordance with the state retention schedules, applicable to DOL

as a state agency. If Agent, pursuant to its own retention schedules, is ever subject to a longer retention period, then the longer period applies. It is the Agent's responsibility to make sure it is following the proper retention schedule before destroying any records.

26. RECORDS DISCLOSURE – PUBLIC REQUESTS

DOL and Agent shall each respectively comply with all current or future public records disclosure laws applicable to them as governmental agencies. This is to include but not limited to Chapters 46.12, 19.255, and 42.56 RCW, administrative rules regulating disclosure, and the right of privacy and confidentiality of information.

If Agent receives a request for record disclosure of Confidential Information that is held in DOL's system, Agent shall notify DOL within twenty-four hours.

Agent shall fully cooperate, comply, and produce all records requested by DOL pursuant to any public disclosure request made upon DOL. The timelines for the production and/or disclosure of records will be established by DOL relative to each independent disclosure request. Agent must provide all requested information in a timely manner. If Agent fails to do so, Agent will be liable for any associated penalties or fees caused by the delay.

27. SEVERABILITY

If any provision of this Agreement is held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

28. OWNERSHIP AND TREATMENT OF PROPERTY

All supplies, inventory, and equipment (Property) furnished by DOL to Agent and/or subsequently furnished to a Subagent, remains the Property of DOL and DOL retains full title and all rights associated with ownership. Agent shall ensure that supplies, inventory, and equipment do not become security for any debt, or fixtures at Agent's location.

Any Property furnished to Agent or Subagent shall, unless otherwise approved by DOL, be used only for the performance of this Agreement. Agent shall surrender to DOL all Property upon completion, termination or expiration of this Agreement or any Subagent Agreement.

Agent may be responsible for loss or damage of Property due to negligence, regardless whether such property was furnished to the Agent or one of its Subagents; this requirement does not affect Agents right or ability to collect damages from the Subagent as applicable. Upon such damage or loss, Agent and shall take all reasonable steps to protect Property from further damage.

29. SURVIVORSHIP

Notwithstanding the expiration or termination of this Agreement, the terms, conditions and warranties contained in this Agreement concerning the Safeguarding Personal Information, Permissible Use, and retention of data, survive such completion, cancellation or termination of this Agreement.

30. WAIVER

An omission by either party to exercise its rights under this Agreement does not preclude that party from subsequently exercising such rights, and does not constitute a waiver of any rights.

ATTACHMENT A – Agent Statement of Work (SOW)

The purpose of this attachment is to describe the licensing services (Work) to be performed by the Agent and establish the support services to be provided by DOL. It includes the manner in which the Agent will perform its actions, including but not limited to the timing, quality assurance, and customer service levels associated with such performance.

All Agent work must be performed by the Agent or the Agent VLR's, or a properly appointed and contracted Subagent. Any actions, whether performed by the Agent, Agent's VLRs, Subagents or Subagents' VLRs, are actions deemed to be performed on behalf of the Agent, and the Agent remains responsible for the compliance of all such actions in accordance to the terms and conditions to this Agreement.

1. FACILITY REQUIREMENTS – Agent Vehicle Licensing Office (VLO)

1.1(a) Agent Facility Selection and Set up – Agent Requirements:

If Agent's VLO is already set up and operating, the requirements of this section are deemed as being complete. However, if Agent moves its location, adds more equipment to its current location, or sets up additional locations, the Parties shall adhere to the following requirements.

Agent must select a facility with adequate open space, seating, and outdoor parking to accommodate the number of people who enter Agent's facility for vehicle or vessel transaction purposes.

Agent must provide to DOL a site floor plan setting forth the positioning of furniture, electrical service, customer service areas, and general open areas. The configuration of the Agent's VLO must be approved by DOL.

Agent must select a facility that can provide the necessary electrical outlets and data/phone/internet cabling to properly accommodate all DOL electrical and internet requirements for full business operations.

- If the VLO does not have adequate available electrical outlets and/or structured cabling, Agent shall have additional outlets and/or structured cabling installed at Agent's expense.

Agent must work with DOL to approve all VLR and Subagent workstation allocations as described in Policy and Procedure.

Agent must make any and all modifications to the site in order to meet DOL specifications and facilitate installation of equipment.

Agent must provide and maintain all office furniture in good working order.

Agent must retain DOL's equipment in the same place as installed.

- If Agent intends to remodel, it must provide a site plan for the remodel to DOL for approval. Agent's remodel must also meet all other requirements of this section.

1.1(b) DOL Consultation on Subagent Facility Selection and Set-Up Requirements:

To the extent that Agent is contracting with a Subagent, the acceptance and configuration of the Subagent's VLO must be approved by DOL before Agent can provide its approval to the Subagent. It is the Agent's obligation to obtain the approval from DOL for all related matters stated below in sections 1.3 through 1.5. If DOL does not provide full approval, Agent may

not provide its approval to the Subagent. Agent may also work with DOL to determine if corrections can be made to obtain DOL's approval.

Agent must also work with DOL to obtain DOL's approval for revisions to a site plan prior to the Agent approving the same. This includes site plans for remodels.

1.2 Facility Approval and Installation:

DOL must approve or decline all proposed Agent or Subagent site plans submitted by Agent within fourteen (14) calendar days of submission. If DOL declines a site plan, DOL must provide adequate justification and explanation for the denial.

DOL will coordinate the completion of the site's data connection and all equipment required for the site to be operational within sixty (60) calendar days of the final approval of the Agent's site plan. If the site is not structurally ready for the installation of data lines at that time, DOL will install the same within a reasonable time based on when the site accommodates such installation.

DOL, or an authorized contractor on behalf of DOL, will provide, install, and test equipment for the Agent and for each Subagent in accordance with standards for functional connectivity. If the Agent relocates or requires a reconfiguration of the workstations, DOL or an authorized contractor on behalf of DOL, will relocate, reinstall, and retest the equipment and functionality at the expense of the Agent.

- Agent may request permission from DOL to install its own data connection. If DOL approves this option, all set-up and recurring costs related to the installation of the data connection will be the responsibility of the Agent.

1.3 Equipment Installation:

DOL will provide and install all necessary equipment for the Agent and for the Subagent for whom DOL is the third party provider, based on the number of workstations as approved in each respective site plan. DOL will also test for functional connectivity of the equipment to verify that it fully accesses DOL's DRIVES system. Agent understands and agrees that all equipment provided by DOL will remain the sole property of DOL.

If Agent or Subagent relocates, or requires a reconfiguration or increase of equipment, Agent will request the same from DOL pursuant to Policy and Procedure.

If Agent or a Subagent needs to make employee accommodation modifications to equipment or software, Agent must obtain the approval of DOL prior to making such modifications. Agent will bear the costs for making such modifications, and will reimburse DOL for all such costs it experiences.

Agent, Agent VLRs, Subagents, and Subagent VLRs are prohibited from the following:

- Removing any state tags or other identifying labels from equipment, removing the equipment from the premises where it is installed.
- Connecting any additional equipment to the communications line;
- Modifying, adding, or removing parts from equipment, unless authorized by DOL.
- Use or adding of external drives, software programs or packages to the equipment, hard drives or computer systems. Allowing any equipment provided by DOL to be deemed as becoming a fixture at the facility where it is located.
- Encumbering or allowing any lien or security interests to be placed on the supplies, inventory or equipment.

1.4 Equipment Maintenance Obligations:

DOL shall be responsible to provide all maintenance, repair, and replacement of DOL's equipment. However, if the repair, replacement, or maintenance is caused by the improper

actions of the Agent or its Subagents, then Agent will reimburse DOL for all related expenses.

DOL will provide maintenance services for equipment within twenty-four (24) hours or the next business day, following notification to DOL by Agent of a malfunction of the equipment.

DOL will not be responsible for any financial and/or material loss to the Agent or any Subagent for down time of equipment, communication lines or DOL operating systems during normal operating hours.

1.5 VLO Facility Operations:

Agent must maintain its VLO as a clean, sanitary, and safe environment for the public to include, but not limited to, meeting all city, county, state and federal requirements for building safety and fire codes.

Agent must post its hours and days of operation in an outward facing manner so that it is easily viewable to the public. If Agent's facility is closed on a normal day of operation, Agent will follow the notification requirements set forth in Policy and Procedure.

2. SUPPLIES AND INVENTORY

2.1 DOL Obligations:

DOL will provide the Agent with the supplies and inventory to be used by the Agent, its VLRs and Subagents in the performance of the functions required under this Agreement.

Agent will not be responsible for loss or damage to the inventory or supplies during transportation or removal by DOL or their representatives.

The amount of supplies and inventory to be given to the Agent, for use by Agent and Subagent, will be determined by Policy and Procedure.

All inventory, furnished by DOL under this Agreement, and retained by the Agent or Subagent, remains the property of DOL, and DOL maintains full title and rights associated with sole ownership.

2.2 Agent Obligations:

Agent shall maintain, protect, and use the supplies and inventory provided under this Agreement in accordance with Policy and Procedure. All usage must be for purposes of carrying out the functions of this Agreement.

Agent is responsible for loss of or damages to the supplies and inventory while in the care and custody of the Agent and/or Subagents.

Agent shall issue to Subagent the DOL-provided supplies needed to perform its duties under its Subagent Agreement. Supplies provided from DOL to the Subagent will be inventoried and controlled by the Agent, as provided by Policy and Procedure.

2.3 Maintenance of All Supplied Property:

Agent shall provide basic care of all Property in order to avoid damage.

Agent shall notify DOL immediately of any malfunction in the equipment or communications lines of the Agent or any Subagent. Agent will make this notification by contacting the DOL field support unit. Agent shall thereafter ensure the DOL representative has full, free, and safe access to the equipment and communications lines as necessary to perform maintenance, between the hours of 8:00 a.m. and 5:00 p.m., on any weekday that is not a state holiday or mandated temporary layoff day.

Agent shall reimburse DOL for any and all costs incurred for the repair, replacement, and/or

maintenance of any Property due to the failure of Agent's or one of its Subagent's to provide basic care of such Property or when the Property is damaged or otherwise malfunctions through misuse, fault, or neglect of Agent or one of its Subagents.

3. TRANSACTION FUNCTIONS

3.1 Establishing User Accounts:

Agent will request Agent and Subagent VLR access to DOL systems by providing DOL with the required information as directed in Policy and Procedure.

Agent will conduct a background check for each Agent VLR as directed in Policy and Procedure prior to requesting access, unless the background check is waived as set forth below. If the results of the background check do not conform to the requirements set forth in Policy and Procedure, Agent will not request access.

The background check requirement for Agent VLRs will be waived if the Agent's county office is precluded from requiring background checks. If Agent meets waiver requirements, conditions will be set forth in a written and executed memorandum of understanding between the parties. This waiver does not apply to any Subagent VLRs.

DOL will establish and issue user accounts to Agent and Subagent VLRs upon receipt of the Agent's request with the information required per Policy and Procedure.

All login and access information is for individual use only. Each VLR must protect their passcodes and access information from disclosure and may not allow other individuals to use their access. Each VLR is individually responsible for all activity on their individual account.

Whenever an Agent or Subagent removes a VLR from its office, Agent will provide notice to DOL immediately, but no later than two (2) business days of the removal. DOL will then delete all logon and access credentials for that individual.

3.2 Performance of Transaction Functions:

Agent and its VLRs shall provide all authorized services for vehicle and vessel transactions as authorized in statute and further directed in Policy and Procedure.

3.3 Quality Service Assurance:

Agent shall ensure that:

- All services are performed accurately and properly in accordance with state law, Policy and Procedure, and in accordance with this Agreement;
- All customer services are performed in a professional, courteous, and ethical manner that is consistent with Policy and Procedure.
- All transactions are properly executed, documented, and entered into DOL's DRIVES systems to achieve an accuracy level of one hundred percent (100%), not to fall below ninety-five percent (95%).
 - Accuracy level relates to the completeness of the transaction, whereby if any documents, cash handling, or computer entries, were incomplete, missing, altered, or processed incorrectly, or where taxes or fees due were waived, reduced, overridden, or altered without proper supporting documentation or approval.

If Agent becomes aware of any invalid or improper transaction, Agent must immediately notify the customer as applicable, and cause the transaction to be corrected as quickly as possible. Agent shall also perform such corrective non-fee transactions for any customer at its facility, even if the original transaction was conducted at a different facility.

4. BANKING AND REVENUE ACCOUNTABILITY

Agent is responsible for the collection, retention, and payment of all revenue generated through the performance of transactions under this Agreement; this includes all Subagent transactions. Agent shall provide for such collection, retention and payment as follows:

4.1 Establishing an Account:

If Agent has an established banking account which is currently in use and approved by DOL, then Agent does not need to establish a new account. Otherwise, Agent shall establish a non-interest bearing checking account with a public depository bank or credit union that is authorized by the Washington State Treasurer's Office to accept public deposits and Automated Clearing House (ACH) electronic fund activities. The account shall be titled as the DOL Agency Account.

Agent shall complete and sign an ACH authorization form allowing fund transfers by the DOL Chief Financial Officer (CFO).

Agent shall fill out a signature card, which must include the following data:

- (a) Bank or credit union name
- (b) Account number
- (c) Agent name
- (d) Agent signature(s)

Agent shall also reserve space on the signature card for DOL's CFO to add his/her name, title, and signature. Each signature card must authorize DOL and the Agent to withdraw funds.

Agent shall keep each signature card and ACH authorization form current and available for review as requested. If Agent wishes to change its account, it must get preapproval from DOL and follow Policy and Procedure before using that account.

All above requirements are to be completed at least thirty (30) calendar days prior to the use of any account.

DOL is responsible for ensuring that Agent's bank account and ACH authorization remains as set forth above. It is also DOL's responsibility to make sure that all payments to, and withdrawals from the DOL Agency Account is in accordance with state law and Policy and Procedure.

4.2 Separation of Funds:

Agent shall use the DOL Agency Account, as established in Section 4.1, only for the deposit, transfer, and withdrawal of revenue generated through the performance of transactions under this agreement. If Agent engages in additional business at its location, the retention and deposit of other moneys must be done separately. Agent may not deposit funds received for non-DOL business into the DOL account.

Agent shall ensure all payments received for DOL licensing activities are kept in a dedicated cash drawer used only for licensing transactions.

Agent shall record, report, and track DOL account activities separate from non-DOL account activities.

4.3 Accepting Payments:

Agent shall only accept payments through tender per Policy and Procedure.

4.4 Deposit and Withdraw of Funds:

Agent shall deposit and withdraw money only as set forth in Policy and Procedure.

4.5 Lost Revenues:

In the event of theft, burglary, misplacement, or destruction of revenue collected by Agent or Subagent the Agent is responsible for ensuring customers are notified. Agent is responsible for all costs related to the recovery of revenue.

- (a) Agent must report all theft or burglary to DOL and local law enforcement.
- (b) Agent must provide documentation of any insurance claim for loss and also provide any criminal investigation number per Policy and Procedure.
- (c) Report loss of revenue to SAO.

5. EDUCATION AND TRAINING

5.1. Designation of Training Requirements – DOL Actions:

DOL is required to establish training requirements and education necessary for Agent, Agent VLRs, Subagents, and Subagent VLRs.

- o The trainings may be developed directly by DOL, outside sources, or in collaboration with Agents and other related stakeholders.
- o The trainings may include a testing component to determine whether the trainee has sufficient understanding of the material and meets minimum requirements for maintaining access to DOL systems.

DOL will also provide support service functions to assist Agent, Subagents, and VLRs to meet performance obligations during normal DOL business hours and provide any additional information as needed.

5.2. Fulfillment of Training Requirements – DOL Actions:

DOL will notify Agent of all training requirements including an updated list of required trainings and their due dates. The training may be performed live by in-person instruction, written communication, web-based, electronically through a computer-based format, or by using other training methods.

DOL will provide initial training to Agent and further provide ongoing training for continuing education. DOL will provide Agent with reasonable notice and flexible opportunities to receive training.

DOL will monitor and track all Agent VLRs to ensure that each VLR receives and completes the training within the required timelines.

5.3. Fulfillment of Training Requirements – Agent Actions:

Agent shall attend and receive all required trainings. This obligation remains in effect, even if the Agent does not perform VLR obligations and/or have active access to DOL system. If Agent wishes to have a designee carry out its training duties, Agent must first get written approval from DOL.

Agent shall provide all training to its Subagents and Subagent VLRs as requested by DOL.

Agent will ensure all Agent VLR's, Subagents, and Subagent VLRs complete the required trainings by the designated timelines. Any non-completed training must be reported to DOL.

Agent shall track the training of all Subagent VLRs, and provide written verification of all completed trainings to the Agent prior to the timelines associated with each training.

Agent shall notify DOL to suspend or terminate VLR access for non-compliance with training requirements.

6. NOTICE REQUIREMENTS

Required Notice to DOL:

Agent has an affirmative duty to notify DOL if Agent becomes aware of any of the following:

- If any Agent VLR or Subagent VLR is no longer acting as a VLR for the Agent or Subagent.
- If any Agent VLR or Subagent VLR engages in any Prohibited Activity as provided in Section 13 – Level III Breach Prohibited Activities or other actions that may cause the Agent or Subagent to be in a Level III Breach.
- If Agent, Agent VLRs, Subagents, or Subagent VLRs ever use the Confidential Information in a manner that violates and/or exceeds the Permissible Uses as stated herein.

7. AGENT VLO CLOSURE

Upon the expiration or termination of this Agreement or upon the closure of the Agent business, Agent shall permit and/or facilitate the following:

- (a) Agent shall preserve all records, monies, supplies, inventory, and equipment, and keep the same secure until they are audited and/or otherwise in the possession of DOL. DOL will immediately perform an audit on all of the Agents business practices related to this Agreement.
- (b) Agent shall cooperate and permit DOL to conduct an audit on all of Agent's transactions, operations, accounting, inventory, and equipment related to this agreement.
 - Prior to the audit, Agent is prohibited from altering, removing, destroying, or otherwise manipulating equipment, documents, records, files, negotiable items including money, and any other materials in any manner not related to the proper fulfillment of services under this Agreement.
- (c) Agent will permit DOL to take possession of all remaining supplies, inventory, and equipment, provided under this Agreement.
- (d) Agent will permit DOL to take possession of all vehicle and vessel title and licensing related fees and taxes collected,
- (e) Agent shall pay all applicable fees owing to DOL.

ATTACHMENT B - Data Security Requirements

1. Data Classification

The classification of the data shared is considered:

- ☐ Category 1 – Public Information
- ☐ Category 2 – Sensitive Information
- ☒ Category 3 – Confidential Information
- ☐ Category 4 – Confidential Information Requiring Special Handling

2. Access Security

Access to the Data will be restricted to authorized users by requiring a login using a unique user ID and complex password or other authentication mechanism which provides equal or greater security. Passwords must be changed on a periodic basis and the sharing of user ID and passwords is strictly prohibited.

3. Data Storage

Agent agrees that any and all Data will be stored, processed, and maintained solely on designated computing equipment and that at no time will Data be processed on or transferred to any portable storage medium.

4. Data Transmission

Agent agrees that any and all electronic transmissions or exchanges of system and application data with DOL and/or any other parties expressly designated by DOL shall take place via secure means. Data that is transferred by and/or resides on assigned DOL equipment is considered secure.

5. Distribution of Data

Agent shall ensure no Data of any kind shall be transmitted, exchanged, or otherwise passed to other contractors/vendors or interested parties except on a case-by-case basis as specifically agreed to in writing by DOL. Agent further agrees not to release, outside their control, screen prints or other printed documents that are not designated for the customer. All hard copies not necessary for business use must be destroyed as referenced in the *Data Disposal* section.

6. Data Disposal

Unless otherwise specified in the Agreement, Agent agrees that upon termination of this Agreement it shall erase, destroy, and render unrecoverable all DOL data and certify in writing that these actions have been completed within 30 days of the termination of this Agreement or within 7 days of the request of an agent of DOL, whichever shall come first. At a minimum, media sanitization is to be performed according to the standards enumerated by NIST SP 800-88 Guidelines for Media Sanitization.

7. Security Breach Notification

Agent agrees to comply with all applicable laws that require the notification of individuals in the event of unauthorized release of DOL data or other event requiring notification. In the event of a breach of any of Agent's security obligations, or other event requiring notification under applicable law, Agent agrees to the following:

- a) Notify DOL by telephone and e-mail of such an event within 24 hours of discovery:
DOL Help Desk, phone: (360) 902-0111; email: hlbhelp@dol.wa.gov
- b) Assume responsibility for costs and for cooperating with DOL on all matters necessary for informing all such individuals, as directed by DOL, and in accordance with applicable state and federal laws.
- c) Mitigate the risk of loss and comply with any notification or other requirements imposed by law or DOL.

ATTACHMENT C - Title VI Compliance

During the performance of this Agreement, the Agent, for itself, its assignees, and successors in interest agrees as follows:

1. **Compliance with Regulations:** The Agent (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation, Federal Motor Carrier Safety Administration (FMCSA), as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
2. **Nondiscrimination:** The Agent, with regard to the work performed by it during the agreement term, will not discriminate on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Agent will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations as set forth in Appendix E, including employment practices when the agreement covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the Agent for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Agent of the contractor's obligations under this Agreement and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, national origin, sex, age, disability, income-level, or LEP.
4. **Information and Reports:** The Agent will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit it access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the FMCSA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a Agent is in the exclusive possession of another who fails or refuses to furnish the information, the Agent will so certify to the Recipient or the FMCSA, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a Agent's noncompliance with the Non- discrimination provisions of this Agreement, the Recipient will impose such contract sanctions as it or the FMCSA may determine to be appropriate, including, but not limited to:
 - a. withholding payments to the Agent under the Agreement until the Agent complies; and/or
 - b. cancelling, terminating, or suspending an Agreement, in whole or in part.
6. **Incorporation of Provisions:** The Agent will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Agent will take action with respect to any subcontract or procurement as the Recipient or the FMCSA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Agent becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Agent may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the Agent may request the United States to enter into the litigation to protect the interests of the United States.

ATTACHMENT C - Title VI Compliance (Continued)

During the performance of this Agreement, the Agent, for itself, its assignees, and successors in interest (hereinafter referred to as the "Agent") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin), as implemented by 49 C.F.R. § 21.1 et seq. and 49 C.F.R. § 303;
- (b) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- (c) Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), (prohibits discrimination on the basis of sex);
- (d) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- (e) The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
- (f) Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- (g) The Civil Rights Restoration Act of 1987, (102 Stat. 28.), ("...which restore[d] the broad scope of coverage and to clarify the application of title IX of the Education Amendments of 1972, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and title VI of the Civil Rights Act of 1964.");
- (h) Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§12131 -- 12189) as implemented by Department of Justice regulations at 28 C.F.R. parts 35 and 36, and Department of Transportation regulations at 49 C.F.R. parts 37 and 38;
- (i) The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- (j) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- (k) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- (l) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.), as implemented by 49 C.F.R. § 25.1 et seq.

ATTACHMENT D – Listing of Policy and Procedure

VEH.1 - Definitions in Policy

VEH.2 - Handling Personalized License Plates

VEH.3 - Operating Standards for Agents and Subagents

- Revision Memo 184-001 (07/03/19)
- Revision Memo 088-001 (02/22/18)
- Revision Memo 053-001 (03/29/18)
- Revision Memo 054-002 (02/23/18)
- Revision Memo 018-003 (01/18/18)

VEH.4 - Preventing Fraud in Transactions

- Revision Memo 054-002 (02/23/18)
- Revision Memo 018-003 (01/18/18)

VEH.6 - Preparing and Distributing Documents

- Revision Memo 362-002 (12/28/18)
- Revision Memo 047-001 (02/16/18)
- Revision Memo 022-003 (01/22/18)

VEH.7 - Establishing and Maintaining Bank or Credit Union Accounts

Revision Memo 082-001 (03/23/18)

VEH.8 - Appointment and Resignation of Agents and Subagents

VEH.9 - Allocating the DRIVES Workstation

VEH.10 - Handling and Processing Checks

Revision Memo 047-001 (02/16/18)

VEH.11 - Processing Inventory

- Revision Memo 116-001 (04/26/18)
- Revision Memo 047-001 (02/16/18)

VEH.13 - Operating Hours for DRIVES

VEH.14 - Requesting a Refund

- Revision Memo 190-002 (07/09/18)
- Revision Memo 017-001 (01/17/18)

VEH.15 - Reporting Robbery, Burglary, Theft, and Embezzlement

VEH.16 - Using DOL Equipment and System Security

VEH.17 - Applying Standards of Conduct

VEH.18 - Producing an Affidavit in Lieu of Title for Ownership in Doubt

- Revision Memo 102-003 (04/12/18)
- Revision Memo 064-001 (03/05/18)

VEH.19 - Training and Certification of Vehicle Licensing Representatives (VLRs)

VEH.20 - Requesting Approval to Issue Quick Titles and Taking Corrective Action

VEH.22 - Adding Free Form Text in DRIVES

- Revision Memo 291-002 (10/18/18)

VEH.23 - Applying for Allowable Cost Reimbursement

VEH.24 - Auditing Vehicle Licensing Offices

VEH.25 - Voids and Reversals

- Revision Memo 060-001 (03/01/18)

VEH.27 - Non-Discrimination in Service Delivery and Facility Access

DRIVES Help Articles

DRIVES VLO Articles

VLO Communications