

County Contract 100221-19-10

SUBAGENT AGREEMENT BETWEEN THE  
CLALLAM COUNTY LICENSING AGENT  
AND SEQUIM LICENSING DEPOT, LLC.

County Reference  
No.: VO0519

je  
12/17

General Information

Start date

January 1 2020

End date

December 31, 2024

Purpose (brief description)

This is a standardized Agreement for use by a County Vehicle Licensing Agent when contracting for services with a Vehicle Licensing Subagent, as set forth in RCW 46.01.140.

Subagent

Appointee Name(s)

Patricia Suzan Mansfield

dba

Sequim Licensing Depot, LLC.

Address

649 W Washington St #2  
Sequim, WA 98382-3380

Mailing Address (if different)

PO Box 1617 Sequim, WA  
98382

Agreement Manager

Patricia Suzan Mansfield

Telephone

360-683-8375

Fax

360-683-2055

Agreement Manager Mailing Address (if different from above)

Email

smansfield@vfs.dol.wa.gov

County Agent

Agent Name

Shoona Riggs

Email

sriggs@co.clallam.wa.us

Address

223 E 4th St #1  
Port Angeles, WA 98362-3000

Mailing Address (if different)

Agreement Manager

Sandy Williams

Telephone

360-417-2225

Fax

Agreement Manager Mailing Address (if different from above)

Email

swilliams@co.clallam.wa.us

Attachments

This Agreement consists of the following attachment(s) and all document(s) incorporated herein or by reference:

- Attachment A -- Statement of Work
- Attachment B -- Data Security Requirements
- Attachment C -- Title VI Compliance Requirements
- Attachment D -- Listing of Policy and Procedure

ALL WRITINGS CONTAINED HEREIN: This Agreement, together with the attachments, exhibits, and other documents incorporated herein contains the entire agreement of the parties as now written and agreed upon. No other understandings or agreements, 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. This Agreement is effective upon mutual execution of the parties.

Subagent Authorized Signature

Date 12/5/19

Agent Signature

Date

Patricia Suzan Mansfield

[Signature]

12-17-19

Name: Shoona Riggs TITLE: Board of Clallam County Commissioner

APPROVED by: Elizabeth Stanley, Deputy Prosecuting Attorney, Date

[Signature]

12/5/19

# Table of Contents

<b>BACKGROUND INFORMATION .....</b>	<b>3</b>
1. PURPOSE OF THIS AGREEMENT .....	3
2. DEFINITIONS .....	3
<b>TERMS AND CONDITIONS .....</b>	<b>4</b>
3. APPOINTMENT AND AGREEMENT WITH SUBAGENT .....	4
4. TERM OF AGREEMENT .....	4
5. SCOPE OF WORK .....	5
6. COMPLIANCE WITH POLICY AND PROCEDURE .....	5
7. COMPENSATION .....	5
8. SAFEGUARDING PERSONAL INFORMATION .....	5
9. DATA OWNERSHIP .....	6
10. PERMISSIBLE USE .....	6
11. OVERSIGHT: MONITOR, AUDIT, AND INVESTIGATE .....	6
12. BREACH; SUSPENSION; TERMINATION FOR CAUSE .....	7
13. NON-BREACH TERMINATIONS; POST-TERMINATION PROCEDURES .....	12
14. INSURANCE .....	12
15. AGREEMENT ALTERATIONS AND AMENDMENTS .....	13
16. AUTHORIZED SIGNATORIES .....	13
17. AGREEMENT MANAGEMENT .....	13
18. ASSIGNMENT AND USE OF SUBCONTRACTORS .....	14
19. DISPUTES .....	14
20. GOVERNING LAW AND VENUE .....	14
21. LIMITATION OF LIABILITY .....	15
22. INDEMNIFICATION AND HOLD HARMLESS .....	15
23. INDEPENDENT CAPACITY .....	15
24. LEGAL COMPLIANCE .....	15
25. RECORDS MAINTENANCE .....	15
26. RECORDS DISCLOSURE – PUBLIC REQUESTS .....	15
27. SEVERABILITY .....	16
28. OWNERSHIP AND TREATMENT OF PROPERTY .....	16
29. SURVIVORSHIP .....	16
30. WAIVER .....	16
<b>ATTACHMENT A - Subagent Statement of Work (SOW) .....</b>	<b>17</b>
1. FACILITY REQUIREMENTS – Vehicle Licensing Office (VLO) .....	17
2. SUPPLIES AND INVENTORY .....	19
3. TRANSACTION FUNCTIONS .....	20
4. BANKING AND REVENUE ACCOUNTABILITY .....	21
5. EDUCATION AND TRAINING .....	22
6. NOTICE REQUIREMENTS: .....	23
7. SUBAGENT VLO CLOSURE .....	23

ATTACHMENT B - Data Security Requirements ..... 24  
ATTACHMENT C - Title VI Compliance ..... 25  
ATTACHMENT D - Listing of Policy and Procedure ..... 27

**THIS SUBAGENT AGREEMENT** is entered into by the designated Agent on behalf of the Clallam County Auditor's Office (hereafter called "Agent") and each Subagent named on page one of this Agreement, individually and collectively doing business as Sequim Licensing Depot, LLC. (hereafter collectively called "Subagent"). Agent and Subagent may be individually referred to as Party, or jointly referred to as Parties.

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

**BACKGROUND INFORMATION**

**1. PURPOSE OF THIS AGREEMENT**

Agent, pursuant to its appointment by the Director of the Department of Licensing (DOL), has the authority under Chapter 46.01 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, as well as the right to contract with subagents to perform such licensing services on the Agent's behalf. Subagent, pursuant to its appointment by the Director of DOL, has the authority to contract with the Agent to provide those licensing services described herein.

The purpose of this Agreement is to provide standardized terms and conditions under which the Parties will perform their vehicle and vessel title and registration activities and other duties pursuant to this Agreement and to Title 46 RCW and Chapter 88.02 RCW.

**2. DEFINITIONS**

The terms used in this Agreement have the following meanings:

**Appointee** means each individual to this Agreement appointed as the Subagent.

**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.

**DOL** means the Department of Licensing, the state agency that administers laws relating to the licensing and regulation of vehicles and vessels pursuant to Title 46 RCW.

**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.

**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 Subagent under this Agreement and pursuant to RCW 46.01.130 and RCW 46.01.140.

## **TERMS AND CONDITIONS**

### **3. APPOINTMENT AND AGREEMENT WITH SUBAGENT**

In accordance with Chapter 46.01 RCW, and upon the approval by Director of DOL, Agent hereby appoints all Subagent Appointee(s) to be a limited propose Subagent of the Agent, and hereby contracts with said Appointee(s) 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 Subagent, called Subagent Vehicle License Representatives (VLRs). All terms, conditions, and restrictions in this Agreement that directly apply to the Subagent, also apply to the Subagent VLRs.

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

Subagent further agrees that:

- All materials submitted by Subagent through the open competitive process were true and correct and are incorporated herein by this reference.
- The Subagent rights under this agreement cannot be construed as being greater than any rights granted to the Agent by DOL.
- The rights and responsibilities set forth in this Agreement are consistent with the Standard Agreements for all Subagents.

Subagent's appointment automatically continues with any extension of this agreement, and terminates upon the expiration or termination of this Agreement.

### **4. TERM OF AGREEMENT**

This Agreement begins on the date of execution by both parties, and ends on December 31, 2024, unless terminated sooner or extended as provided herein. This Agreement may be extended for additional periods of time upon the written mutual agreements of the Parties.

If the Agent does not anticipate extending this Agreement at the expiration of any set term, then Agent should provide Subagent with at least ninety (90) days' notice of such intent.

**5. SCOPE OF WORK**

The scope of functions, duties, and services to be performed by the Parties is set out on 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 as set forth in Attachment A.

Subagent will provide the licensing services (Work) as described in this Agreement. Agent will provide necessary Property to support Subagent in performing their work. Agent has contracted with DOL to provide some services, equipment, supplies and inventory on Agent's behalf directly to Subagent. DOL will be acting as a third-party provider at Agent's direction.

**6. COMPLIANCE WITH POLICY AND PROCEDURE**

All work performed pursuant to this Agreement, whether by Subagent or Subagent VLRs, shall be performed in a manner that conforms to this Agreement, its attachments, and DOL's and Agent's Policy and Procedure. This requirement is ongoing throughout the term of this Agreement and applies to all future policies and procedures as implemented and/or amended by DOL and Agent. A list of all applicable DOL Policy and Procedure is attached as Attachment D. Additional Policies and Procedures will be deemed as being fully incorporated into this agreement upon the Subagent receiving notice of the same.

Pursuant to Agent's agreement with DOL, Agent will be afforded the opportunity to review all proposed changes to and additional policies and procedures as provided by DOL before adoption. Upon Agent receiving such notice Agent shall forward the notice to the Subagent, unless DOL has already provided such notice.

Subagent shall track Subagent and Subagent VLR's review of the established Policies and Procedures.

**7. COMPENSATION**

Subagent will charge, collect, and retain fees as authorized by statute. Subagent 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.

**8. SAFEGUARDING PERSONAL INFORMATION**

Information received and/or accessed in connection with this Agreement may include Personal Information. Subagent 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. Subagent 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, the Agent, or the general public.

Subagent has a continuing obligation to ensure all Subagent VLR's 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 in the System by Subagent. This Agreement grants a license to the Subagent to access and use that Data pursuant to the Permissible Uses and other requirements contained herein. This grant

of license does not provide Subagent 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 lawful functions 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 /private persons, or public/private entities, including local, state and federal governments and/or state agencies other than DOL or Agent. If entities, including law enforcement agencies seek data containing Personal Information, Subagent, must refrain from disclosing such information to the outside agency, but may inform such agency 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.

Subagent shall ensure that all of its VLR's fully understand and comply with all Permissible Use requirements.

#### 11. OVERSIGHT: MONITOR, AUDIT, AND INVESTIGATE

Agent will monitor, audit, and investigate the actions and performances of the Subagent. For purposes of this section, the actions and performances of the Subagent inherently include the actions and performances of the Subagent VLRs who are performing services under this Agreement. Agent has equal rights to monitor, audit and investigate all of Subagent's VLR's. Additionally the parties agree that DOL has the right to monitor, audit, and investigate Subagent and all of Subagent's VLRs, and that the Subagent shall assist Agent or DOL in these matters as requested.

Notwithstanding the Agent's rights as stated above, the Subagent shall monitor, audit, and investigate its own performance, as well as the performance of its VLRs. Any Agent audit or investigation on the Subagent may include whether the Subagent is engaging in proper oversight and responsive action concerning its VLRs.

##### (a) Levels of Oversight:

- 1) Monitor: Agent may monitor the Subagent and/or Subagent VLRs performance at any time. Monitoring is the general review of transactions and other activities performed by the Subagent VLRs. Monitoring also includes, but is not limited to, reviewing of service quality, customer service standards, ethical standards, and conduct. Monitoring is performed as part of general routine practices, and as directed by Policy and Procedure.
- 2) Audit: Agent shall audit the Subagent performance under this Agreement at least once per year. Agent may perform additional audits as necessary. Audits are the formal examination of facilities, equipment, records, actions, practices and requirements of a Subagent related to the performance of this Agreement. Audits may include, but not 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, and the maintenance of inventories, records, and documents. Agent must follow established DOL process and procedure for Subagent Audits. Agent does not have the ability to establish new audit standards or policies beyond those outlined by DOL.

3) **Investigate:** Agent may investigate the Subagent's performance under this Agreement. Investigation is the act of inquiring and/or examining specific actions or omissions of the Subagent or any VLRs acting on its behalf. The investigation may be initiated based on information the Agent acquires through its monitoring or auditing functions, or through an outside source. Agent may expand the scope of an investigation or conduct an audit if it discovers additional actions that require further exploration. Agent's investigation into a Subagent does not need to be equally performed among all Subagents.

**(b) Access to Agent**

For purposes of any monitoring, investigation, or audits, Subagent will grant Agent and/or DOL access to the Subagent's facilities, documents, records and other matters related to its performance of this Agreement. Subagent will facilitate the inspection and reproduction of records and documents requested by Agent.

**(c) Agent Written Report:**

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

**(d) Responsive Action**

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

**12. BREACH; SUSPENSION; TERMINATION FOR CAUSE**

Subagent's noncompliance with any terms, conditions, restrictions, or required performances of this Agreement may be deemed as a breach. This includes the noncompliance of Subagent VLRs. For purposes of this Agreement, there are three established levels of breach, each defined below.

Agent determines the level of the breach 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 Agent's discretion, although for a Level II or Level III breach, Agent must provide the Subagent with the opportunity to address such matters before Agent's final decision is made.

**(a) LEVEL I BREACH - Warning**

Agent will issue a Level I Breach when Agent 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 Subagent in a timely manner, but no later than thirty (30) calendar days after the Agent makes the

determination that the improper conduct constituted a Level I Breach. The written notice will be delivered to the Subagent in person, by mail, or via email using the current contact information for the Subagent 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 the breach. The Agent must keep a formal record of the date and subject of the warning, and any corrective action required therewith.

**(b) LEVEL II BREACH – Formal Corrective Action**

Agent will issue a Level II Breach when the Agent 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 Subagent in a timely manner, but no later than thirty (30) calendar days after the Agent makes the determination that the improper conduct constituted a Level II Breach. The notice will be delivered to the Subagent in person, by mail, or via email using the current contact information for the Subagent Contract 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 Subagent or the Subagent's Agreement Manager must provide written acknowledgment of receipt within five (5) calendar days of receiving the notification.

Subagent Response: Subagent must provide a written response to Agent within fifteen (15) calendar days from the issue date of the Level II notice. Subagent's response must include the action(s) taken (or to be taken) by the Subagent in order to correct and resolve each specified breach. Agent will review the Subagent's response and determine whether the Subagent's actions provide a proper resolution to the breach.

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

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

**(c) LEVEL III BREACH – Termination for Cause**

Agent will issue a Level III Breach when the Agent 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 Subagent and Subagent VLRs:

- Offering a bribe, accepting a bribe or soliciting a bribe in the course of Subagent 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 Subagent.
- 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 conducting 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 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 involving 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 a Subagent or a Subagent VLR.
  - 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 Subagent in a timely manner, but no later than thirty (30) calendar days after the Agent's discovery and determination that the conduct constituted a Level III Breach. The notice will be delivered to the Subagent in person, by mail, or via email to the current contact information for the Subagent (Appointee), and the Subagent's Agreement Manager. Both Subagent (Appointee) and the Subagent'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.

**Subagent Response:** The Subagent (either an Appointee or Agreement Manager) is required to provide written acknowledgment of receipt notification of the Level III Breach within five (5) calendar days of receiving the notification. If the Subagent does not provide timely notice, this Agreement may be suspended until such time that the Subagent provides notice. Agent will then provide for a Termination Meeting with the Subagent, as described below.

**Immediate Suspension:** Agent, depending on the nature and severity of the breach, may also elect to immediately suspend the Subagent's ability to perform transactions under this agreement. If Agent chooses to suspend this Agreement, Agent must include in its notice how the actions of the Subagent (or its VLR's) could cause immediate harm or damage to the State of Washington, DOL, the Agent's office, and/or the public at large. Agent will immediately notify DOL to suspend all VLR user access. Subagent must then provide notice to the public by posting a notice on the business's main door indicating the office is temporary closed, and also indicating the address(s) of a nearby office(s).

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

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

- i. Whether the Subagent agrees or contests, in whole or in part, to the underlying factual elements of each breach, as presented by Agent;
- ii. Whether Agent needs to engage in further investigation to determine if the breach was caused, permitted, and/or allowed by the Subagent based on facts presented.
- iii. Whether a temporary suspension of the Agreement will be maintained or implemented during any additional period of investigation, corrective action, and/or decision making.
- iv. Whether additional meetings are required to determine the ongoing level of compliance.
- v. Whether the Subagent 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.

Subagent may waive its appearance at the Termination Meeting by providing written notice to Agent prior to the meeting.

Final Decision: Upon conclusion of the Termination Meeting or waiver of said meeting, Agent will issue a written final decision which must include the basis of the decision, and must be issued within ten (10) calendar days of the 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 decision.

**(d) APPEAL PROCESS**

Subagent has the right to appeal a Final Decision of an Agent that results in a suspension or a termination. A Level I and Level II Breach, or a temporary suspension during any investigative or corrective action period are not subject to appeal.

Notice of Appeal Initiation: Subagent initiates its appeal by sending a written "Notice of Appeal" to the Agreement Manager of the Agent, and to DOL's Vehicle and Vessel Operations Administrator. DOL, pursuant to Policy and Procedure, will forward copies of the "Notice of Appeal" to the President of the Washington Association of Vehicle Subagents (WAVS), and the President of the Washington State Association of County Auditors (WSACA).

Notice of Appeal Content: The "Notice of Appeal" must include four matters:

- the specific determination that is being appealed,
- the reason the appeal is being made (why Subagent feels the final decision is improper),
- the Subagent's statement of facts and evidence that supports its basis for its appeal, and
- the specific relief or alternative final decision that is being sought.

Failure to properly include all four of the above content may result in the Subagent's appeal being rejected by the Review Board, prior to further application of the review process.

Time Limit for Appealing: Subagent must submit its written "Notice of Appeal" to the Agent within thirty (30) calendar days of receiving the Agent's written Final Decision on the Level III Breach. Failure to submit the appeal within the allowed time will result in a waiver of Subagent's right to appeal.

Agent's Determination not Stayed by Appeal: The suspension or termination of this Agreement is not stayed during the pendency of an appeal. Agent, and/or DOL may also still perform an audit and secure all equipment and supplies as set forth in Attachment A, § 7.

Binding Decision: The Review Board's Final Decision is permanent and binding on all parties and may not be subject to further appeal or review.

(e) **APPEAL REVIEW BOARD**

At the direction of DOL, the President of WAVS and WSACA chairs will convene a Review Board to consider the merit of any appeal or dispute. DOL will be responsible to coordinate scheduling and location for the Review Board proceedings and notification to the Agent and Subagent.

Members of the Review Board must not have prior involvement with the specific allegation(s) to be ruled upon or have a conflict of interest. Members of WSACA and WAVS serving on the review board must be in good standing and not be the subject of an open appeal or open termination proceeding, and may not be from the same county as the Subagent being reviewed.

Composition of Review Board: The Review Board will be comprised of the following persons:

- A representative from WSACA appointed by WSACA in accordance with WSACA policy.
- A representative of WAVS appointed by WAVS in accordance with WAVS policy.
- The Director of DOL or the Director's designee.

The review board will self-select a chairperson for purposes of the review.

Quorum: All three (3) members of the Review Board are required to constitute a quorum.

Location of the Review Process: The Review Board shall conduct the review process in the county in which the termination, suspension or dispute took place, unless another mutually agreeable venue is selected.

Time of Review Board Review Process: The review process is to take place within thirty (30) calendar days of the date the "Notice of Appeal" was received by Agent, unless an alternative mutually agreeable date is selected.

Burden of Proof: The burden of proof is on the Agent to show that by a standard of preponderance of evidence that the Subagent engaged in noncompliant action(s) that caused a breach of the Agreement, and that such actions justify the final disposition as determined by the Agent.

Review Board Procedure Evidence: Documentary evidence may be submitted in addition to witness testimony. No later than ten (10) calendar days prior to the scheduled review proceeding, Agent and Subagent must submit to the review board, and to the other party, a list of all witnesses, and all documentary evidence that will be introduced and/or used at the hearing.

The Rules of Evidence do not apply, but the Review Board will consider only relevant evidence, and will determine the substantive weight and credibility of such evidence.

Review Board members may ask questions of any witness in an orderly fashion at any time in the proceeding.

Recording of the review process is not required but may be allowed at the discretion of the Review Board and with express written permission from all being recorded.

Review Board members may not have discussions with DOL, Agent or Subagent or their representatives, regarding the substantive merits of the allegation(s) to be discussed during the review process. If one member of the Review Board violates this provision, the remaining members will determine whether to maintain or to remove that member and appoint a replacement within twenty-four (24) hours.

Length of Presentation: At the beginning of the review process, the Review Board will announce how much time each Party is allotted to present their case, starting with the Respondent Agent. In addition, the Respondent Agent will be allowed an additional short period for rebuttal. If any party fails to appear, the review process will proceed.

Remedies: The Final Decision of the Review Board must be agreed upon by at least two (2) members of the Review Board in order to become final. The Review Board may announce its decision orally at the conclusion of the hearing, but must issue a final written decision that includes the basis and reasoning of its decision to the Parties within ten (10) calendar days after the conclusion of the review process. The Review Board may uphold the Agent's Final Decision, reverse the Final Decision, impose other sanctions or corrective action, or remand to the Agent for additional investigation. The Review Board's decision will be the Final Decision under this Agreement.

### 13. NON-BREACH TERMINATIONS; POST TERMINATION PROCEDURES

Termination by Mutual Agreement: The parties may terminate or suspend this Agreement by mutual decision. Any such termination/suspension must be set in writing and executed by the authorized signatory of each party.

Termination for Withdrawal of Authority: If Agents 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, changes in DOL's authorization, or agency policies, the Agent may terminate or suspend this Agreement for convenience with a minimum of thirty (30) days' notice. The Agent is to provide the Subagent with as much notice as possible. This type of termination must apply equally to all Subagents in the county.

Post-Termination Procedures: After termination of this Agreement for any reason, Subagent must settle all outstanding liabilities and claims arising from any work under this Agreement and return all equipment and supplies as required herein. Agent will also perform all VLO Closure actions as noted in the Statement of Work – Attachment A, Section 7.

### 14. INSURANCE

Insurance Requirements: Subagent shall maintain at its own cost and expense commercial general liability insurance including personal injury and contractual liability not less than \$1,000,000.00 per occurrence and a general aggregate limit of not less than \$2,000,000.00

- The insurance policy must be issued by an insurance company authorized to do business within the state of Washington. Agent and DOL must be included as additional insured, for full policy limits, on Subagent's commercial general liability insurance policy.
- Prior to performance of any work under this Agreement, and upon each insurance renewal thereafter, the Subagent must furnish Agent the Certificate(s) of Insurance (COI) and endorsements showing compliance with the insurance requirements herein. Agent, at its discretion, has the right to request updated copies of COI, but failing to request the COI does not relieve Subagent of its affirmative duty to provide it. Agent must receive 30 days written notice of cancellation or alteration of a policy
- Subagent waives all rights against the Agent, DOL, and the State of Washington for recovery of damages to the extent that such damages are, or would be, covered by general liability or umbrella insurance maintained pursuant to this Agreement. All insurance provided in compliance with this Agreement must be primary as to any other insurance programs afforded to or maintained by Agent.

Renters Insurance: If Subagent leases commercial space as its VLO, Agent may require Subagent to obtain renters insurance in an amount that minimally covers all costs of supplies, inventory, and equipment. Agent's election to require renter's insurance must be applied equally to all Subagents in that county.

#### 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 amended by DOL. Subagent will remain subject to the Policy and Procedure as amended.

Pursuant to RCW 46.01.140, agreements between Agents and Subagents need to be Standardized Agreements developed by DOL. In order to maintain standardization, any amendment executed by the Parties, without the prior written approval of DOL is a violation of statute and therefore void.

#### 16. AUTHORIZED SIGNATORIES

Agent: The authorized signatory for the Agent is the County Agent, or his/her delegate as appointed in writing.

Subagent: Each individual identified as a Subagent Appointee, listed on the first page of this agreement is an authorized signatory. The execution by any Appointee is binding against all Subagents.

#### 17. AGREEMENT MANAGEMENT

The respective Agreement Manager(s) for each party is indicated on the first page of this Agreement. Each respective Agreement Manager is the 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, by U.S. postal services, or electronically via email to the last stated email address of an Agreement Manager. Additionally, delivery of a notice to a Subagent Appointee will also suffice as giving notice to all Subagents.

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. A notice of change to the Agreement Management should be set in writing, and provided in advance of the change, or as soon thereafter as possible.

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

## 18. ASSIGNMENT AND USE OF SUBCONTRACTORS

This Agreement may not be assigned by either Party.

Subagent may not enter into subcontracts for any work or services related to the subject matter of this Agreement without the prior written approval of the Agent. This clause does not include contracts of employment between the Subagent and personnel employed to work for the Subagent.

## 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

This Agreement is governed by the laws of the state of Washington. Venue of any lawsuit filed by any party against the other party arising in whole or in part of this Agreement must be in the Superior Court of the County where the Agent is located.

Order of Precedence: In the event of an inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall 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 Compliance, Attachment C
- 6) DOL Policy and Procedure, Attachment D

**21. LIMITATION OF LIABILITY**

DOL, as a third party provider, 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 employees and officers acting within the scope of its authority, and shall hold the other party harmless against all claims for damages resulting from its own acts and/or omissions, arising out of or resulting from its performance of this Agreement.

Agent understands that it cannot hold Subagent responsible for noncompliance to the extent that such noncompliance was caused by the Agent's or by DOL's failure to first perform specified third party actions as stated herein.

**23. INDEPENDENT CAPACITY**

Each party, including its directors, executives, and employees, is a separate and independent legal entity that is solely acting under its own authority. All owners, directors, and/or employees of Subagent are the independent personnel of the Subagent and are not employees of the Agent.

**24. LEGAL COMPLIANCE**

Subagent 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 described 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.

Subagent 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.

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

**26. RECORDS DISCLOSURE – PUBLIC REQUESTS**

Subagent may not publicly release any records or information under this agreement pursuant to a public records request (Chapter 42.56 RCW). If Subagent receives a public records request, Subagent will immediately forward the request to Agent and DOL within

twenty-four (24) hours. All requested records and information may only be released to Agent or DOL.

Subagent shall fully cooperate, comply, and produce all records requested by Agent or DOL pursuant to any public disclosure request submitted to the Agent or DOL. The timelines for the production and/or disclosure of records will be established by the Agent or DOL relative to each independent disclosure request. Subagent must provide all requested information in a timely manner. If Subagent fails to do so, it will be liable for any associated penalties or fees caused by their 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 to the Subagent under this Agreement, whether by DOL as a third party provider or by Agent, remains the property of DOL, and DOL retains full title and all rights associated with ownership. Subagent shall ensure that supplies, inventory, and equipment do not become security for any debt, or fixtures at Subagent's location.

Any Property furnished to Subagent under this Agreement must be used only for the performance of this Agreement. Subagent shall surrender to Agent all Property upon completion, termination or expiration of this Agreement.

Subagent may be responsible for loss or damage of Property due to negligence. Upon such damage or loss, Subagent shall notify 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 and Permissible Use, and retention of records, survive 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 other rights.

## ATTACHMENT A - Subagent Statement of Work (SOW)

The purpose of this attachment is to describe the licensing services (Work) to be performed by the Subagent and establish the support services to be provided by Agent and/or DOL as a third party provider. It includes the manner in which the Subagent will perform its actions, to include the timing, quality assurance, and customer services levels associated with such performance.

All Subagent work must be performed by the Subagent or the Subagent VLRs. Any actions, whether performed by the Subagent or its VLRs, are actions deemed to be performed by the Subagent, and the Subagent remains fully responsible for the compliance of all terms and conditions to this Agreement.

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

#### 1.1 Facility Selection and Set up – Subagent Requirements:

If Subagent's VLO is already set up and operating, the requirements of this section are deemed completed. However, if Subagent moves its location or adds more equipment to its current location, Parties shall adhere to the following requirements:

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

Subagent must provide to Agent, a site floor plan setting forth the positioning of furniture, electrical service, customer service areas, and general open areas. The configuration of the Subagent's VLO must be approved by Agent, however, the Agent, pursuant to its agreement with DOL, must first seek the prior approval of DOL.

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

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

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

Agent must ensure that any and all necessary modifications are made to the site in order to meet DOL specifications and facilitate installation of equipment.

Subagent must retain DOL's equipment in the same place as installed. Subagent must maintain all equipment in good working order.

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

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

#### 1.2 Facility Approval and Installation:

Agent must approve or decline all site plans within fourteen (14) calendar days of submission, providing that Agent has received its approval or denial from DOL. If the site plan is declined, Agent must provide adequate justification and explanation for the denial.

DOL, as third-party provider on behalf of Agent, 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 Subagent'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, as a third party provider, will provide, install, and test equipment for the Subagent in accordance with standards for functional connectivity. If the Subagent 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 Subagent.

- Subagent may request permission from Agent to install its own data connection. Agent, in turn will seek approval from DOL. If approved, all set-up and recurring costs related to the installation of the data connection will be the responsibility of the Subagent.

### **1.3 Equipment Installation:**

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

If Subagent relocates or requires a reconfiguration or increase of additional equipment, Subagent must notify the Agent who will make the request to DOL as per Policy and Procedure.

If Subagent needs to make employee accommodation modifications to equipment or software, Subagent must obtain the approval of Agent prior to making such modifications. Subagent will bear the costs for making such modifications, and will reimburse Agent and/or DOL for any such costs either entity 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:**

Agent shall be responsible for coordinating with DOL to provide all needed maintenance, repair, and replacement of equipment. However, if the repair, replacement, or maintenance is caused by the improper actions of the Subagent or its VLRs, then Subagent will reimburse Agent or DOL for all related costs.

Agent per its Agreement with DOL will establish a system where DOL, as third party provider, will provide maintenance services within twenty-four (24) hours or the next business day, following notification from Subagent of a malfunction of the equipment.

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

**1.5 VLO Facility Operations:**

Subagent 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.

Subagent must post its hours and days of operation in an outward facing manner so that it is easily viewable to the public. Subagent must receive Agent's approval for changes in days and hours of operation, and follow the notification requirements set forth in Policy and Procedure.

**2. SUPPLIES AND INVENTORY**

**2.1 Agent Obligations:**

Agent shall secure all supplies and inventory from DOL and shall provide the Subagent with the supplies and inventory to be used by the Subagent in the performance of all licensing functions included in this Agreement.

Agent, if possible, may also facilitate DOL directly providing any supplies or inventory to the Subagent if agreed upon by all entities. Subagent will not be responsible for loss or damage to the inventory or supplies during transportation or removal by DOL, Agent or either of their representatives.

The amount of supplies and inventory given to the Subagent will be determined by Policy and Procedure. If Subagent needs additional supplies and inventory, Subagent will request the same from Agent pursuant to Policy and Procedure.

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

**2.2 Subagent Obligations:**

Subagent shall maintain, protect, and use the supplies and inventory provided under this Agreement in accordance with Agent's and DOL's Policy and Procedures. All such supplies and inventory must be used solely for purposes of carrying out the licensing functions of this Agreement.

Subagent is responsible for loss of or damages to DOL supplies and inventory while in the care and custody of the Subagent.

**2.3 Maintenance of All Supplied Property:**

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

Subagent shall notify Agent immediately of any malfunction in the equipment or communications lines of the Subagent. Agent may direct Subagent to contact Agent's provider, which may be DOL. Subagent shall thereafter ensure that the Agent's or DOL's 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., or normally scheduled hours of the Subagent unless prior arrangements have been made on any weekday that is not a state holiday or mandated temporary layoff day.

Subagent shall reimburse Agent and/or DOL as the third party provider for any and all costs incurred for the repair, replacement, and/or maintenance of the Property due to the failure of Subagent to provide basic care of the Property or when the Property is damaged or otherwise malfunctions through misuse, fault, or neglect of Subagent.

### **3. TRANSACTION FUNCTIONS**

#### **3.1 Establishing User Accounts:**

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

Subagent will obtain a background check for each Subagent VLR as directed in Policy and Procedure prior to requesting access. If the results of the background check do not conform to the requirements set forth in Policy and Procedure, Subagent will not request access.

Agent will forward the Subagent's request for VLR access to DOL. DOL, as a third party provider, will establish and issue user accounts to Subagent VLRs upon receipt of the Agent's request along 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 a Subagent removes a VLR from its office, Subagent will provide notice to the Agent immediately, but no later than two (2) business days of the removal. Agent will forward the information to DOL as set forth in Agent's Agreement with DOL. DOL will delete all logon and access credentials for that individual.

#### **3.2 Performance of Transaction Functions:**

Subagent and its VLRs shall provide all services for vehicle title and registration applications and issuances as authorized in statute and further directed by Policy and Procedure.

#### **3.3 Quality Service Assurance:**

Subagent 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, as well as any additional requirements based on Agent's policies and procedures.
- All transactions are properly executed, documented, and entered into DOL's DRIVES system with 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 Subagent becomes aware of any invalid or improper customer transaction, Subagent must immediately notify the customer as applicable, and cause the transaction to be corrected as quickly as possible. Subagent 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

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

##### 4.1 Establishing an Account:

If Subagent has already established its banking account which is currently in use and approved by Agent, then Subagent does not need to establish a new account. Otherwise, Subagent shall establish a noninterest-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.

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

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

- Bank or credit union name
- Account number
- Agent and Subagent name
- Agent and Subagent signatures

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

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

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

Agent is responsible for ensuring that all bank accounts and ACH authorization remains as set forth above. It is also Agent'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:

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

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

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

##### 4.3 Accepting Payment:

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

**4.4 Deposit and Withdraw of Funds:**

Subagent shall deposit and withdraw funds only as permitted in Policy and Procedure.

**4.5 Lost Revenues:**

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

- Subagent must report all theft or burglary to DOL, Agent, and local law enforcement.
- Subagent must provide documentation of any insurance claim for loss and also provide any criminal investigation number per Policy and Procedure, and will reimburse Agent and/or DOL for all costs resulting from Subagent errors or omissions.

**5. EDUCATION AND TRAINING**

**5.1. Designation of DOL Training Requirements:**

DOL as a third-party provider of education, training, testing, and support, pursuant to its contractual agreement with the Agent, is required to establish all educational training requirements that are necessary for the Agent, Agent VLRs, Subagents, and Subagent VLRs.

- The trainings may be developed directly by DOL, outside sources, or in collaboration with Agents and other related stakeholders.
- 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 may also provide support service functions to assist Agent, Subagents, and VLRs to meet performance obligations and may provide additional information as needed.

**5.2. Fulfillment of Training Requirements – Agent Actions:**

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

Agent, or DOL on Agent’s behalf, shall provide initial training, and further provide ongoing training for continuing education. Agent must provide Subagent with reasonable notice and flexible opportunities to receive training.

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

Agent will provide notice of all completed, and non-completed trainings to DOL within the stated timelines; VLRs who do not receive the training in a timely fashion will be denied future access to DOL DRIVES system until such time that Agent confirms with DOL that the training was completed.

**5.3. Fulfillment of Training Requirements – Subagent Actions:**

Subagents shall attend and receive all required trainings. This obligation remains in effect even if Subagent does not act as an actual VLR, and/or have an active User Account. If Subagent wishes to have a designee carry out its training duties, Subagent must first get written approval from Agent.

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

Subagent shall ensure that all Subagent VLR's receive and complete each and every required training by the designated timelines. Any non-completed training must be reported to Agent.

Subagent 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.

## **6. NOTICE REQUIREMENTS:**

### Required Notice to Agent:

Subagent has an affirmative duty to notify the Agent if Subagent, or Subagent's Agreement Manager learns of any of the following:

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

## **7. SUBAGENT VLO CLOSURE**

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

- a) Subagent 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 Agent or DOL. Agent will immediately perform an audit, or assist DOL to perform an audit on all of the Subagent's business practices related to this Agreement.
- b) Subagent shall cooperate and permit Agent and/or DOL to conduct an audit on all of Subagent's transactions, operations, accounting, inventory, and equipment related to this Agreement.
  - Prior to the audit, Subagent 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) Subagent will permit Agent or DOL to take possession of all remaining supplies, inventory, and equipment, provided under this Agreement.
- d) Subagent will permit Agent or DOL to take possession of all vehicle and vessel title and licensing related fees and taxes collected,
- e) Subagent shall pay all applicable fees owing to Agent and/or DOL.

## ATTACHMENT B - Data Security Requirements

### 1. Data Classification

The classification of the Data shared under this Agreement includes:

- 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

Subagent 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

Subagent 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

Subagent 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. Subagent 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, Subagent agrees that upon termination of this Agreement it shall erase, destroy, and render unrecoverable all 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 a Subagent 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

Subagent 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 Subagent's security obligations, or other event requiring notification under applicable law, Subagent agrees to the following:

- a) Notify DOL and Agent 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 Subagent, for itself, its assignees, and successors in interest agrees as follows:

1. **Compliance with Regulations:** The Subagent will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation (USDOT), 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 contract.
2. **Nondiscrimination:** The Subagent, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin, sex, age, disability, income-level, or Limited English Proficiency (LEP) in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Subagent will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations as set forth on the following page, including employment practices when the contract 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 Subagent 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 Subagent of the contractor's obligations under this contract 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 Subagent will provide all information and reports required by the Acts, the Regulations and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Washington State Department of Licensing (DOL) or the FMCSA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Subagent will so certify to the DOL 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 Subagent's noncompliance with the Non discrimination provisions of this contract, the DOL 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 Subagent under the contract until the Subagent complies; and/or,
  - a. cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Subagent 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 Subagent will take action with respect to any subcontract or procurement as the DOL or the FMCSA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Subagent becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Subagent may request the DOL to enter into any litigation to protect the interests of the DOL. In addition, the Subagent 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 contract, the Subagent, for itself, its assignees, and successors in interest (hereinafter referred to as the "Subagent") 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**