

**ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672**

**8809 HOUSE TRANSPORTATION**

1 5. Be a commercial driver training school which has been continuously  
2 licensed by the Department during the preceding two (2) years and which  
3 utilizes a curriculum certified by the Professional Truck Driver  
4 Institute of America or its equivalent.

5 6. Be a public university, college, community college or junior college.

6 7. Be a state agency, political subdivision, individual, firm, partnership  
7 or corporation which has been in the business of providing commercial  
8 driver safety services during the preceding two (2) years and which has  
9 a written contract to provide third party testing services to the  
10 employees of one or more public or private companies, state agencies or  
11 political subdivisions employing, in the aggregate, at least twenty-  
12 five (25) persons having a valid Michigan operator's or chauffeur's  
13 license with a vehicle group designation.

#### 14 VI. REQUIREMENTS FOR THIRD PARTY EXAMINERS

15 A. A third party examiner may conduct skills tests on behalf of no more than  
16 one third party tester. Third party testers must apply for "examiner  
17 identification cards" on behalf of each person seeking to become a third  
18 party examiner in their employ. If a third party examiner leaves the employ  
19 of a third party tester, he/she must be approved for a new examiner  
20 identification card in order to conduct tests on behalf of another third  
21 party tester.

1 3. To qualify and maintain qualification as a third party examiner, an  
2 applicant must meet all of the following conditions:

3 1. File and maintain with the office through an approved third party  
4 tester an examiner application on behalf of the applicant and the  
5 approval has not been suspended, canceled or ~~revoked~~ terminated.

6 2. Be a self employed individual, a payroll employee or be employed under  
7 the direction or control, of the third party tester who filed his or  
8 her third party examiner application.

9 3. Hold a valid commercial driver license with the appropriate ~~classified~~  
10 ~~endorsement, or~~ CDL group designation and endorsements required for  
11 operation of the commercial motor vehicle used in the skills tests  
12 conducted by the examiner.

13 4. Have successfully completed a CDL examiner training workshop conducted  
14 by the Department, or an equivalent course as determined by the  
15 Department.

16 5. Attend all advanced training courses, workshops, seminars, and other  
17 instructional meetings as required by the Department. Failure to  
18 attend scheduled training and instructional sessions will result in  
19 cancellation of their certification.

1 6. The applicant's driving record does not indicate he or she may be  
2 incompetent to operate a motor vehicle safely, as determined by the  
3 office.

4 7. The applicants criminal record, in the judgement of the Office, does  
5 not indicate that issuance of an examiner identification card would  
6 compromise the integrity of the CDL testing program.

7 8. The applicant has not had a conviction, civil infraction determination,  
8 or administrative adjudication for any of the following violations  
9 under Michigan law or a local ordinance substantially corresponding to  
10 Michigan law or a law or local ordinance of another state substantially  
11 corresponding to law, during the three year period preceding  
12 application:

13 a. Operating a vehicle under the influence of intoxicating liquor or  
14 a controlled substance, or both.

15 b. Operating a vehicle while visibly impaired by intoxicating liquor  
16 or a controlled substance, or both.

17 c. Operating a vehicle while having an unlawful blood alcohol level.

18 d. Refusal to submit to a chemical test for blood alcohol level.

19 e. Manslaughter by vehicle.

1 f. Felonious driving.

2 g. A felony in which a motor vehicle was used.

3 h. Reckless driving.

4 i. Fleeing and eluding a police or conservation officer.

5 j. Unlawful driving away of a motor vehicle.

6 k. Negligent homicide by operation of any vehicle.

7 l. Failure to stop and identify self after a personal injury or  
8 property damage accident.

9 m. No proof of insurance.

10 9. During the three (3) year period preceding application:

11 a. The applicant's driver license has not been suspended, revoked,  
12 denied, canceled or disqualified, or subject to any driver  
13 improvement action ordered by the Department or a court.

14 b. The applicant has not been convicted or determined responsible for  
15 any traffic violation in relation to more than one (1) motor  
16 vehicle accident.

1 c. The applicant has not accumulated more than five (5) points on his  
2 or her driving record, of which no more than four (4) points have  
3 been accumulated within the one (1) year period preceding  
4 application.

5 d. The applicant has not been convicted or determined responsible for  
6 more than one (1) serious traffic violation, as defined in section  
7 319b of the Michigan Vehicle Code, in any vehicle.

*or FMCSR 383.51*

8 10. Have at least three (3) years of experience as a commercial motor  
9 vehicle operator or, equivalent experience as determined by the office.

10 11. Conducts CDL skills tests on behalf of the third party tester, in  
11 accordance with all legal requirements and in accordance with test  
12 specifications and procedures prescribed by the Department.

13 12. Submits to auditing and testing as required by the office.

14 VII. CERTIFICATES AND IDENTIFICATION CARDS

15 A. General Requirements:

16 1. A certificate will be issued to qualified persons or entities  
17 evidencing the third party tester's entry into an agreement to operate  
18 an approved testing program to give driving tests to applicants for a  
19 CDL.

- 1           2.   An "examiner identification card" will be issued with respect to  
2           qualified employees of the third party tester.
  
- 3           3.   A copy of the examiner's identification card must be displayed in the  
4           appropriate office of the third party tester.
  
- 5           4.   The certificate issued by the Department to operate a third party  
6           testing program must be prominently displayed in the place of business  
7           of the third party tester.
  
- 8           5.   The examiner must surrender the identification card to the Department  
9           when the examiner leaves the employ of the third party tester, when the  
10          examiner is no longer assigned third party examiner duties by the third  
11          party tester, or when the card has been canceled.
  
- 12          6.   Agreement to administer third party testing programs, certificates to  
13          operate third party testing programs, and examiner's identification  
14          cards are nonassignable.
  
- 15          7.   Each agreement and certificate and/or identification card shall be  
16          effective on the date of issuance and shall expire on December 31 of  
17          each year.
  
- 18          8.   All renewal application forms must be filed to the Department not less  
19          than thirty (30) days prior to the time the certification, cards and  
20          agreement documents expire. The Department is not responsible for the

1           timely issuance of any renewal certificate or renewal agreement when  
2           the application is not received within the necessary time frame.

3       B.   Application for third party tester certification.

4           1.   An application for third party tester certification shall be filed with  
5           the Office on a-forms prescribed by the Office.

6           2.   An applicant for a third party tester certificate shall enter into a  
7           third party tester agreement, the form and content of which shall be  
8           prescribed by the Department.

9       C.   Application for Third Party Examiner Identification Card.

10           The third party tester who employs, controls or directs an examiner shall  
11           file with the office an application for an examiner identification card on  
12           behalf of the examiner on a form prescribed by the office.

13   VIII.   SELECTION OF TESTER/EXAMINERS BY THE DEPARTMENT

14       A.   Applications are to be submitted on forms provided by the Office.

15       B.   The Third Party Tester application will be reviewed for selection in the  
16       departmental CDL third party tester program. Specific considerations  
17       include:

- 1           1. The need, as determined by the Office, for additional CDL skills  
2           testing in their area.
  
- 3           2. The potential to provide CDL skills testing to the general public, at  
4           more than one location, including after normal business hours and on  
5           the weekend.
  
- 6           3. Ability to provide CDL skills testing for all types and classes of CDL  
7           vehicles including all passenger vehicles.
  
- 8           4. Providing class A commercial vehicles for rent for purposes of taking  
9           the CDL skills tests.
  
- 10          5. Adequate space and facilities for CDL vehicle inspection and basic MHA.  
11          control skills testing activities. Must provide written authorization  
12          to use facilities and grounds not owned or leased by the tester.
  
- 13          6. Area driving test routes which provide exercises and maneuvers which  
14          meet CDL skills testing requirements.
  
- 15          7. Potential to administer one test per week or a minimum of 52 CDL skills  
16          tests each year.
  
- 17          8. Record of satisfactory participation in the Michigan CDL Third Party  
18          Testing program.

1 C. The office will review the application submitted on behalf of the third  
2 party examiner including the individual's driving record. If satisfactory,  
3 the Office ~~will~~ may schedule a pre-approval on site inspection of the  
4 tester site and facilities. If satisfactory, the prospective examiner may  
5 be scheduled for third party examiner training. Training may be waived if  
6 the examiner is seeking another identification card only because he/she has  
7 changed third party tester employers.

### 3 IX. CERTIFICATION BY THE DEPARTMENT

9 A. Upon selection, a third party tester must execute a written agreement  
10 prescribed by the Department to administer skills tests. Upon return of the  
11 agreement to the Department, the third party tester will be issued a  
12 certificate by the Department evidencing the tester's authority to  
13 administer a third party testing program for the classes and types of  
14 vehicles listed.

15 B. Upon selection and successful completion of training, an examiner  
16 identification card will be issued evidencing a third party examiner's  
17 authority to conduct skills tests for the classes and types of vehicles  
18 listed. A copy of this card must be prominently displayed at the approved  
19 testing facility.

20 C. Certificates, agreements and identification cards will remain valid until  
21 December 31 of the year in which they were issued or until canceled by the  
22 Department or voluntarily relinquished by the third party tester or

1 examiner. Agreements and certification may be extended for additional  
2 periods (renewal) with the mutual written consent of both the Office and  
3 third party tester, using forms provided by the Office and signed by duly  
4 authorized representatives of both parties.

5 X. ~~PERFORMANCE EVALUATION AUDITS AND ON-SITE INSPECTIONS~~

6 ON-SITE INSPECTIONS AND AUDITS

7 A. Each applicant for a third party tester certificate shall permit the FHWA or  
8 the Department to conduct pre-approval inspections and audit its operations,  
9 facilities and records as they relate to its third party testing program,  
10 for the purpose of determining whether the applicant is qualified to be  
11 certified into the program.

12 B. A third party tester who has been certified and has executed an agreement  
13 shall permit the Department or FHWA to inspect and audit its third party  
14 testing program to determine whether it continues in compliance with all  
15 legal requirements.

16 C. The Department and FHWA may perform its inspections and audits with or  
17 without prior notice to the third party tester.

18 D. Inspections and audits will include, at a minimum, an examination of:

19 1. Records relating to the third party testing program.

- 1 2. Evidence of compliance with the FMCSRs.
- 2 3. Skills testing procedures, practices and operations.
- 3 4. Vehicles used for testing.
- 4 5. Qualifications of third party examiners.
- 5 6. Effectiveness of the skills tests program by either testing a sample of  
6 drivers who have been issued certificates evidencing that they have  
7 passed the skills tests administered by the third party tester or by  
8 having Department employees or designees take the skills tests from a  
9 third party examiner.
- 10 7. Any other aspect of the third party tester's operation that the  
11 Department determines is necessary to verify that the third party  
12 tester meets all applicable requirements.
- 13 E. The Office will prepare a written report of the inspection and audit. A  
14 copy of the report will be provided to the third party tester.

## 15 XI. PROFESSIONAL CONDUCT

- 16 A. An examiner, employee or agent of the third party tester may not assist any  
17 CDL applicant for the purpose of completing a license application or taking  
18 a knowledge or skills test or other driver examination.

1 B. An examiner, employee or agent of the third party tester may not solicit any  
2 individual on premises rented, leased or owned by the Department for the  
3 purpose of enrolling that individual in any third party testing program.

4 C. Third party testers, through their employees or agents (examiners) are to  
5 provide CDL skills testing services in a professional manner:

6 1. Without discrimination as to race, color, religion, national origin,  
7 ancestry, handicap, partisan considerations, age or sex. Sexual  
8 harassment is a form of discrimination which is expressly prohibited.

9 2. In an environment free of smoking.

10 3. Whose examiners shall not consume or possess intoxicating beverages,  
11 regardless of alcohol content as identified and prohibited under FMCSR  
12 Part 392.5, within 4 hours prior to or during CDL skills testing  
13 activities.

14 4. Whose examiners shall not consume or possess, any drugs or other  
15 controlled substances as identified and prohibited in FMCSR Part 392.4  
16 during CDL skills testing activities.

17 XII. ADVERTISING

18 A. No advertising shall indicate in any way that the third party tester can  
19 issue or guarantee the issuance of a CDL or imply that the third party

1           tester can in any way influence the Department in the issuance of a CDL or  
2           imply that preferential or advantageous treatment from the Department can be  
3           obtained.

- 4           8.   Third party testers that are in fact certified by the Department may in  
5           their advertising state they are "certified," but shall not indicate that  
6           the tester is approved, sanctioned or in any other way endorsed by the  
7           Department and shall not use any other name besides the name on its  
8           application for certification, nor shall the tester use "state" in any part  
9           of its name.

10   XIII.   INSURANCE REQUIREMENTS

- 11           A.   Each third party tester must maintain security which meets the requirements  
12           of sections 3101 and 3102 of Act No. 218 of the Public Acts of 1956, as  
13           amended; MCL 500.3101 and 500.3102, on motor vehicles owned or registered by  
14           the third party tester while used to administer skills tests in this state.
- 15           B.   Each third party tester must maintain bodily injury and property damage  
16           liability insurance coverage on motor vehicles owned or registered by the  
17           third party tester while used to administer skills tests in this state, and  
18           the amount of insurance coverage shall not be less than \$1,000,000.00 for  
19           bodily injury to or death of one or more persons in any one accident and not  
20           less than \$100,000.00 for injury to or destruction of property of others in  
21           any one accident.

1 C. A third party tester must maintain insurance coverage which does not exclude  
2 from coverage any person while taking skills tests administered by the third  
3 party tester, any person suffering bodily injury or sustained property  
4 damage as a result of skills tests administered by the third party tester,  
5 or any person employed by the third party tester to administer skills tests.

6 D. As evidence of required insurance coverage, the third party tester must file  
7 with the Department either a certificate of insurance issued by an insurance  
8 company licensed to do business in this state or a certificate of self-  
9 insurance issued by a group motor vehicle self-insurance pool formed under  
10 1951 PA 35, as amended, stating that there is in effect a contract of which  
11 certificate shall stipulate that the insurance shall not be canceled except  
12 upon thirty (30) days' prior written notice to the Department or a  
13 certificate of self insurance in excess of \$20,000,000.00 issued by the  
14 Department. A certificate of insurance or self-insurance shall include the  
15 make, model, year and vehicle identification number of every vehicle which  
16 will be used by the third party tester to administer skills tests.

17 E. A third party tester must not use a motor vehicle owned or registered by the  
18 third party tester to administer skills tests unless evidence of insurance  
19 coverage for the vehicle has been filed with the Department.

20 F. The third party tester must not use motor vehicles to administer skills  
21 tests unless the owner or registrant of the vehicle produces a certificate  
22 of insurance for the vehicle issued by an insurance company which states  
23 that security which meets the requirements of sections 3101 and 3102 of Act

1 No. 218 of the Public Acts of 1956, as amended; MCL 500.3101 and 500.3102,  
2 is in force, or unless the owner or registrant produces a certificate of  
3 self-insurance issued by the Department.

4 G. The Department will reserve the right to cancel the agreement with the third  
5 party tester upon determining that the third party tester has failed to file  
6 a certificate of insurance or self-insurance or has failed to maintain  
7 insurance coverage.

8 H. The third party tester must, also, agree to indemnify and hold harmless the  
9 State of Michigan, the Department, and all of its officers, employees, and  
10 agents from and against any an all rights, causes of action, claims,  
11 demands, suits, liabilities, arising out of, based upon, occasioned by or  
12 attributable to any act or omission of the Third Party Tester or the Third  
13 Party Tester's agents, examiners or other employees in the performance of  
14 the agreement.

#### 15 XIV. NOTIFICATION REQUIREMENTS

16 A. Third party testers must:

17 1. Notify the Office in writing within thirty (30) days prior to any  
18 change in the tester's name or address.

19 2. Notify the Office in writing within ten (10) days of any of the  
20 following:

1 a. Any change in the employment of any person authorized by the  
2 Department to be a third party examiner for the tester.

3 b. Notice received by the tester with respect to any conviction,  
4 civil infraction determination, or administrative adjudication, of  
5 any of the tester's third party examiners for violation of a law  
6 or local ordinance of any state relating to motor vehicle traffic  
7 control (other than a parking violation).

8 c. Notice received by the tester with respect to any suspension,  
9 revocation, cancellation, disqualification, or driver improvement  
10 action ordered by a court or the Department, imposed upon the  
11 driver license or vehicle group designation or privilege to  
12 operate any vehicle of any third party examiner in the tester's  
13 employ.

14 d. Any notice of complaint regarding criminal and/or civil actions,  
15 or skills test administration received by the tester regarding any  
16 of the testers third party examiner.

17 e. The tester ceases business operations in Michigan.

18 B. Third party examiners must notify the Office and his or her Third Party  
19 tester as follows:

20 1. Before the end of the next business day after the examiner receives

1 notice of any suspension, revocation, cancellation or disqualification  
2 of his or her driver license or vehicle group designation or privilege  
3 to operate any motor vehicle, or any driver improvement action ordered  
4 by a court or the Department.

5 2. Within ten (10) days after being convicted or found responsible for  
6 violation of a law or local ordinance of any state relating to motor  
7 vehicle traffic control (other than a parking violation).

8 3. Before the end of the next business day after the examiner receives  
9 notice of any complaint regarding criminal or civil actions or skills  
10 test administration.

## 11 XV. TEST ADMINISTRATION

12 A. Skills tests shall be conducted strictly in accordance with the provisions  
13 of law and the test specifications and procedures prescribed in the CDL  
14 Third Party Examiner's Manual provided by the Office.

15 B. CDL Skills tests shall be conducted:

16 1. In a vehicle which is representative of the class and type of vehicle  
17 for which the CDL applicant seeks to be licensed and for which the  
18 third party examiner is qualified to test. The vehicle shall not  
19 contain explosives or other hazardous material. Prior to testing, the  
20 examiner shall inspect the vehicle to verify that it is empty and meets

1 all motor carrier safety regulations and is otherwise safe to operate.

2 2. Using Department approved content, forms and scoring procedures.

3 3. On Michigan roads and highways.

4 XVI. TERMINATION OF THIRD PARTY TESTING PROGRAM AND CERTIFICATES

5 A. The Department ~~deny~~ will not select any application for a third party tester  
6 agreement/certificate or examiner's identification card, if the applicant or  
7 examiner does not qualify for the certificate or card under the requirements  
8 of the third party tester program. A misstatement or misrepresentation of  
9 a material fact will be grounds for ~~denying non selection an agreement, a~~  
10 ~~certificate or a card.~~

11 B. Any third party tester may relinquish its certificate and agreement upon  
12 sixty (60) days' notice to the Department.

13 C. The Department reserves the right to change or cancel the third party  
14 testing program as described in these requirements.

15 D. The Department may cancel or suspend the certificate of and agreement with  
16 a third party tester or examiner after determining that the tester or  
17 examiner has done one or more of the following:

1. Has failed to comply with or satisfy any of the provisions of the agreement or the Department's instructions relating to the agreement.
2. Has falsified any record or information relating to the third party testing program.
3. Has committed any act or omission which, in the judgement of the Office, compromises the integrity of the third party program.
4. Continues to employ a third party examiner who does not have a valid driver license, whose driver license has been suspended or revoked, whose examiner card has been canceled, or whose application for a driver license has been denied.

E. If the Department determines that grounds for cancellation exist and that they relate to a failure to comply with or satisfy any of the requirements for a certificate or a card or for a third party tester agreement, the Department may postpone cancellation and allow the third party tester thirty (30) days to correct the deficiency.

# M E M O R A N D U M

---

To: Representative Al Vezey

From: Patricia A. Young *pyoung*

Date: January 31, 1995

Subject: Privatization of Motor Vehicle Services (95.032)

Enclosed are materials that you requested from Washington's Department of Licensing. The materials include a copy of the standard contract used between the County Auditors and the Department of Licensing, a copy of the policy and procedures manual, and a copy of the Vehicle/Vessel Field System (VFS) Overview. The VFS is the computer network used to tie the operations together.

I hope this information is helpful.

FROM THE DESK OF ..

PATRICIA A. YOUNG  
LEGISLATIVE ANALYST  
LEGISLATIVE RESEARCH AGENCY  
130 SEWARD STREET, SUITE 218  
UNTAU, ALASKA 99801

907/465-3991  
Fax: 907/465-1351



STATE OF WASHINGTON  
DEPARTMENT OF LICENSING

*Olympia, Washington 98504-8001*

*P.O. Box 2957, Olympia, Washington, 98507-2957*

December 19, 1994

Patricia Young  
Legislative Research Agency  
130 Seward Street, Suite 218  
Juneau, Alaska 99801

Dear Ms. Young:

In response to our telephone conversation on December 12, 1994, enclosed reference material pertains to the network for vehicle/vessel licensing. The Director of Licensing appoints the thirty-nine County Auditors to perform licensing activities. The county auditors may select private entities to perform the licensing activities for the auditor. Approximately one hundred fifty of these subagents have been appointed.

Enclosed is a copy of the standard contract executed between the County Auditors and the Department of Licensing. A similar standard contract is being drafted for execution between the county auditors and their subagents. The idea is to have all of the auditors working from the same document and all of the subagents, regardless of the appointing authority, work from the same document. The standard contract with the auditors make them responsible to the department for the performance of county employees as well as their subagents. The standard contract with the subagent make the subagent responsible to the auditor.

The standard contracts make liberal use, by reference, of adopted policies and procedures. The enclosed copy has some red markings. I apologized for that, but it's the only copy available at the moment. The policies and procedures are in the process of amendments which are coordinated with the auditors and subagents before adoption.

Ms. Patricia Young  
December 19, 1994  
Page Two

With this configuration, the citizens of the state are served by approximately one-hundred ninety offices located throughout the state. Each of the offices can perform all transactions related to licensing of vehicles and vessels. All of the offices carry their own inventory (plates, tabs & forms) collect and deposit funds, have direct line access to vehicle and vessel records, and can update any record on proper application.

Enclosed is an overview of the Vehicle/Vessel Field System which is the computer network used to tie all of this together. All of the computer software, hardware including on-site PCs and modems, and data lines are owned and maintained by the department. The computer program has checks and balances to safeguard and provide accountability of funds and inventory items. The program has prompts to assist the operator to process the application and to prevent the process if the appropriate documentation is not available. It also calculates the funds to be collected and accounts for state revenue.

This is a very simplistic overview of our vehicle/vessel licensing process. If you have any questions or need additional information, please call me on (206) 902-3773.

Sincerely,

  
Jack L. Lince  
Contracts Manager

at: agent contract  
Pol. Proc.  
Overview of VFS

## VEHICLE/VESSEL FIELD SYSTEM (VFS) OVERVIEW

The Vehicle/Vessel/Parking Ticket/Disabled Person Databases are located on the host, which is currently a Unisys mainframe. It is used during the business day for on-line inquiry.

The VFS programs for processing title/registration transactions and the associated tables are resident on each of the regional Hewlett Packard minis.

The VFS programs which allow for maintenance of certain fees, use tax rates and excise information are resident on the HQ regional. The VFS Headquarters inventory functions also reside there.

### INVENTORY -

Accountable items are entered into the system at the HQ level. System assigned numbers are assigned to a regional machine. Physical inventory items are assigned to an County level VFS office. Upon receipt of the physical inventory, the office enters them on the system as received at the county level. The County level office repeats the process by assigning inventory to a VFS level office. Each VFS office, after acknowledging them as received on the system, may then assign the accountable items to either central or workstation inventory. Each morning and evening when opening or closing a workstation, a screen appears which must be completed indicating what the starting numbers are. The system compares it to the previous day's ending inventory and reports any discrepancies. Inventory is now ready to be issued to the customer.

When the customer's transaction is finalized and the system determines that accountable inventory is to be issued, the system displays the item to be issued. If the item is missing, the operator may override the item with the next one available and later adjust the missing item out of the system. Each month inventory reports are printed indicating the accountable items shipped, received, overridden and adjusted for every level. Reorder levels are also maintained on the system.

There are also background reports printed for the Audit Unit to detect potential abuse of the system.

## MONEY -

At the start of day the operator is required to enter the amount of starting cash. For each transaction, the system determines the amount due. The operator is required to enter the amount paid and whether check or cash or a combination. Checks may not exceed the amount due. At the end of the day, the operator is required to enter the amount and types of cash, as well as the number of checks. A report is printed of any discrepancies. For each transaction, the system determines how much money goes into each of the funding codes. This information is held for 30 days, so if there is a DHC, the money is backed out of the same accounts. When an office has a DHC, they are allowed instant credit and a letter is sent to the customer. But within 14 days if the DHC has not been restituted, a report is printed at HQ alerting the DHC desk that the check will be coming in the mail with a copy of the letter to the customer. Cancellation letters are generated and sent, warning the customer that the DHC will be sent to a collection agency. The system automatically updates the records when the check is sent to the collection agency.

At the end of the day, a report is printed indicating how much money was collected by the office, how much goes to the county, how much is retained by the office and how much will be electronically withdrawn from the office account.

The HQ regional gathers all the transactions at the end of the day statewide and produces an Automatic Clearing House (ACH) tape. The net result is the electronic withdrawal of money owed the state from the office accounts and automatic distribution to the State Treasurer. Any office which does not have a sufficient amount of money in the account is immediately reported and investigated for potential fraud or system problems.

## TRANSACTIONS -

As each transaction is begun in each office, it is assigned a transaction number. This provides tracking of accountable inventory issued and money collected for the transaction.

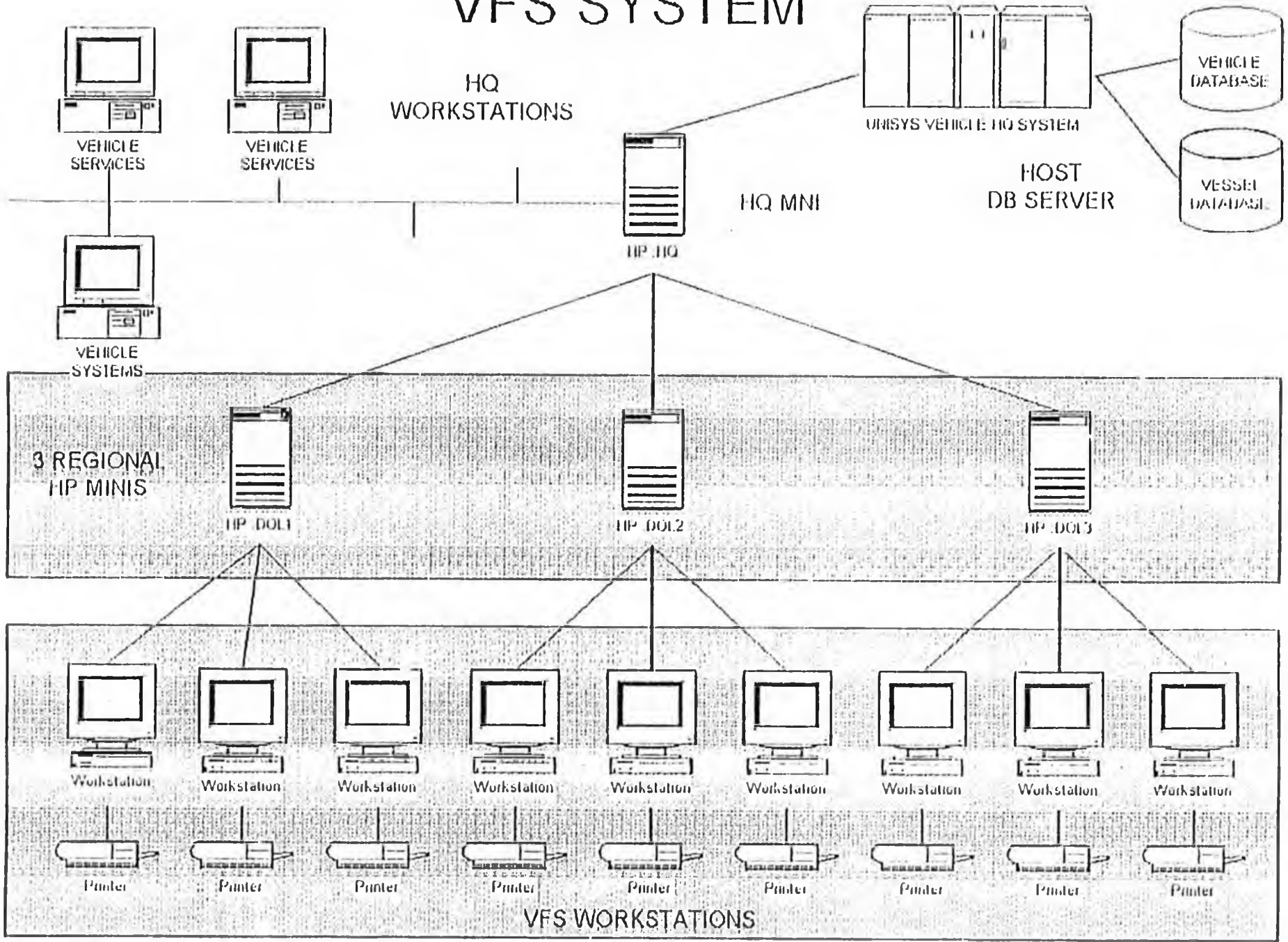
At the end of the day, a report is printed in each office showing the title and non-title work finalized by that office. Title work is attached to a copy of the report and sent to HQ. The system automatically assigns each title transaction a title number. The HQ regional produces the update tapes by which the vehicle/vessel records are updated with title and non-title transactions on the Unisys within 48 hours. A report is printed for HQ staff

indicating how many applications are to be received from each office and workstation.

The title transactions are automatically updated with a pending status. When the verification unit receives the work from the offices and determines whether the documentation submitted is sufficient to issue a title or not, the work is released using one of the HQ regional processes. Thus the VFS title tape is created and sent to an outside vendor who prints and mails the titles, while a copy of the released title data is attached to the supporting documentation and microfilmed.

VFS also has a Paperless Title system for participating financial institutions and Super Service Titles for those dealers who require issuance of a title document while they wait.

# VFS SYSTEM



AGREEMENT BETWEEN  
STATE OF WASHINGTON  
DEPARTMENT OF LICENSING  
AND  
1 -

Agreement No. 2 -

Agent No. 3 -

Date: March 14, 1994

THIS AGREEMENT, entered into by and between the DEPARTMENT OF LICENSING, hereinafter called "DOL", and the County of 4 - , acting through its county auditor, hereinafter called the "Agent". This agreement supersedes any previous agreement, known or unknown, made between DOL and Agent.

This agreement is made under the provisions of the Revised Code of Washington (RCW) 46.01.130, RCW 46.01.140, RCW 38.02.040 and chapter 39 34 RCW.

DOL has the general responsibility for issuance of vehicle and vessel certificates of ownership and registration, vehicle license number plates and vessel decals, and for the collection of vehicle and vessel licensing fees, excise taxes and other fees and taxes.

## 1.0 APPOINTMENT

The Director of DOL hereby appoints the County Auditor of 5 - as an Agent of DOL for the purpose of licensing and titling vehicles and vessels and collecting vehicle and vessel fees and excise taxes, in addition to the additional functions outlined in this agreement, for the duration of this agreement.

4 - County accepts the appointment as Agent for DOL and shall perform the duties set forth in this agreement.

## 2.0 SCOPE OF SERVICES

2.1 The Agent shall perform all necessary functions relating to the licensing of vehicles and vessels, issuance of vehicle license number plates and vessel decals and other similar services under the direction and supervision of the Director of DOL. The Agent shall collect all appropriate fees, excise taxes and other taxes. The services shall be provided to the citizens of the State of Washington and to foreign jurisdictions upon receipt of applications for requests for service.

2.2 Agent may perform the services itself, may establish branch offices, and with approval of DOL, appoint special deputies to perform the services. The Agent may request DOL to appoint subagents within the county as provided in RCW 46.01.140 to perform the services.

### 3.0 CONSIDERATION

The Agent shall charge, collect and retain the fees as authorized by RCW 46.01.140. The Agent, in licensing vehicles and vessels, may process the collection of license fees and taxes by using the Vehicle Field System provided by DOL pursuant to this agreement, and may retain the appropriate collection fees when authorized by statute or rule.

### 4.0 ALLOWABLE EXPENSE CONSIDERATION

4.1 In addition to fees collected and retained as provided in section 3.0 of this agreement, DOL shall reimburse Agent for the excess of Agent's allowable expenses after deduction of the retained fees for performance of this agreement, as provided in RCW 46.01.140(4)(b). Payment to the Agent shall be made only from, and shall be subject to, funds being available in the Licensing Services account in the Motor Vehicle Fund.

4.2 Agent may submit to DOL Program Manager, annual invoice vouchers showing the prior twelve months total fees collected by the Agent, the fees retained by the Agent, itemized allowable expenses incurred in the same prior applicable twelve month period, and the excess amount of allowable expenses after deduction of the fees retained by the Agent. DOL shall provide payment of the excess amount no later than thirty business days after approval of the invoiced amount. To accommodate the end of an accounting period, an invoice may use estimated fees and expenses in lieu of actual fees collected and retained and allowable expenses for the last one month period of the applicable prior twelve month period. Any differences in the estimated amounts and the actual amounts shall be debited or credited in the subsequent annual invoice. Invoices reflecting a July 1 through June 30 fiscal year shall be presented to DOL no later than June 1.

4.3 DOL will pay reasonable direct expenditures incurred which exceed the Agent's fees retained for performing vehicle and vessel licensing activities under this agreement. Only the following costs shall be considered direct expenditures for the purposes of this section:

4.3.1 Salaries, payroll taxes and employee benefits paid to Agent's employees directly assigned to licensing activities under this agreement:

- 4.3.2 Telephone service charges directly related to this agreement:
- 4.3.3 Premium for insurance and bonding expressly required by this agreement:
- 4.3.4 Postage and other purchased office supplies necessary to the performance of this agreement:
- 4.3.5 Auxiliary equipment purchased by the Agent, with approval of DOL, which enhances Agent performance of this agreement.

Direct expenditures shall not include any direct costs incurred which are not related to vehicle and vessel licensing activities under this agreement.

## 5.0 PERIOD OF OBLIGATION

This agreement shall commence on the date of the signing and complete execution of this agreement and shall continue through the second succeeding December 31 or under mutual consent until a new contract is executed or until termination as provided in section 17.

This agreement is void upon formal action of the state legislature or county governing body enacting statutory prohibition or failure to provide funding for performance of the duties provided herein.

## 6.0 ADMINISTRATION OF AGREEMENT

### 6.1 DOL MANAGER

The Title and Registration Services Unit Administrator is appointed the Program Manager of this agreement and shall monitor the performance of the Agent under this agreement, approve billings submitted by the Agent, accept any reports provided by the Agent, and reconcile allowable costs. The Program Manager shall provide and facilitate assistance and guidance to the Agent as necessary. DOL shall provide the Agent with the DOL Program Manager's name, address and telephone number and any subsequent changes made.

### 6.2 AGENT ADMINISTRATOR

The Agent shall appoint a Program Administrator for this agreement and shall notify DOL of the Program Administrator responsible for Agent's performance of this agreement. The Agent shall provide DOL with the Program Administrator's name, address, telephone number and any subsequent changes made.

### 6.3 NOTICES

All notices concerning this agreement shall be sent to the parties at the addresses state below:

DOL - Administrator, Title and Registration Services, Department of Licensing, PO Box 2957, Olympia, Washington 98507-2957.

Agent - Current County Auditor. 5 - , 6 - .

### 7.0 ORDER OF PRECEDENCE

In the event of conflicting provisions within this agreement, the conflict will be resolved by giving precedence in the following order:

- 7.1 Applicable federal and state statutes and codes, including RCW titles 46, 32, and 88.
- 7.2 This agreement, including all amendments and exhibits.
- 7.3 Washington Administrative Codes, including WAC chapters 308-56A, -57, -93, and -96A.
- 7.4 The Department of Licensing Policies/Procedures, the Vehicle Services Division Policies/Procedures, the Vehicle Field System Automated Operating Guide, and the Vehicle Field System Operating Guide.

### 8.0 SERVICE QUALITY

- 8.1 Agent shall perform all licensing functions in a concise, courteous, accurate, and professional manner. Agent is responsible for processing all licensing functions to achieve a level of one hundred percent accuracy. If Agent's accuracy level falls below ninety-five percent (95%) accuracy, based upon the number of transactions processed by the Agent within a continuous six (6) month period, this agreement may be terminated by DOL, and Agent shall be responsible for all of DOL's costs due to Agent's errors.

Agent is responsible for requiring its employees special deputies and subagents to perform at the same level and quality of service as provided in this section.

- 8.2 DOL shall monitor Agent, Agent's branch offices, special deputies and subagents to determine the service quality of each entity. Monitoring may consist of, but is not limited to, evaluation of comments from the public, periodic reports, observed practices of the entity, compliance with DOL

Policies/Procedures, and compliance audits, as provided in DOL Policy/Procedure VEH. 3.

- 8.3 When service quality is deficient or when DOL and Agent agree that service is to be modified, DOL and Agent agree to make good faith effort to amend the service by mutual agreement.

## 9.0 REVENUE ACCOUNTABILITY

- 9.1 Agent shall collect and account for vehicle and vessel license fees, taxes and other fees, as provided in DOL Vehicle Services Division Policy/Procedure VEH.7 and .10, as now or hereafter amended.
- 9.2 Agent shall endorse each negotiable instrument received in payment of services performed pursuant to this contract, with a statement "for deposit only" or for "deposit to account of" or similar restrictive wording, immediately upon receipt of such payment.
- 9.3 In the event of theft, burglary, or destruction of revenue collected by Agent or Agent's subagent, Agent shall immediately contact all persons who issued a negotiable instrument which was stolen or destroyed and request replacement payment in the amount previously rendered. All costs related to the recovery of the amount stolen or destroyed is the responsibility of Agent.
- 9.4 In the event of theft, burglary, destruction of revenue collected by Agent or Agent's subagent, or for any other reason Agent or Agent's subagent has insufficient funds to process the daily Automated Clearinghouse Tape (ACH) withdrawal, agent shall make restitution to DOL within forty-eight (48) hours of receiving DOL notification of the insufficient fund condition.

## 10.0 INSURANCE AND BONDING

- 10.1 The Agent shall procure an endorsement to insurance it may carry, or shall procure a separate policy of insurance to indemnify DOL against all loss, damage, destruction, including, but not limited to: wind, water, fire, and environmental conditions, and theft of any or all of the following DOL properties:
- a. The replacement cost of supplies provided by DOL to Agent in section 12.2 of this contract. The minimum amount of insurance coverage required or procured shall be calculated on reorder levels provided in Vehicle Services Division Policy/Procedure VEH.11, as now or hereafter amended:

- b. The cost of equipment provided by DOL to Agent in section 12.3 of this contract. The amount of insurance coverage shall provide for installation and replacement costs for the same or equivalent equipment, less depreciation of the equipment lost or damaged.
- 10.1.1 In lieu of an endorsement to insurance or a separate policy of insurance, the Agent may provide a certificate of self-insurance. Any certificate of self-insurance shall include an endorsement by the Bureau of Risk Management, Department of General Administration, attesting to the adequacy of the self-insurance for the purposes of this agreement.
- 10.1.2 DOL shall be named as an additional insured and loss payee as to the loss, damage, destruction, or theft of the supplies and equipment. DOL may disapprove any such insurance by providing reasons of inadequacies in the endorsement, policy, or self-insurance.
- 10.1.3 Any insurance endorsement or policy shall be written by an insurer authorized to transact business in the State of Washington and shall require the insurer to provide DOL thirty (30) days written notice of any cancellation or alteration of the endorsement or policy affecting the insurance coverage.
- 10.2 Agent shall procure a primary commercial blanket bond or its equivalent, satisfactory to DOL, in a minimum amount of fifty thousand dollars (\$50,000.00) with a deductible provision of no greater than two thousand dollars (\$2,000.00). The bond shall be written by an insurer authorized to transact surety business in the State of Washington and shall require the insurer to provide DOL thirty (30) days written notice of any cancellation or alteration of the bond.
  - 10.2.1 The bond shall provide fidelity coverage for any fraudulent or dishonest acts committed by Agent, one or more of the employees of Agent, special deputies appointed by Agent, and Agent's subagents and subagents' employees.
- 10.3 Agent shall apply for and obtain from the Department of Labor and Industry a certificate of Industrial Insurance, as provided in Title 51 RCW. Agent shall keep evidence of continuing Industrial Insurance coverage on file with DOL.

## 11.0 EDUCATION AND TRAINING

DOL and Agent shall share the responsibilities for education and training of Agents and subagent personnel in the operations and functions relating to the licensing of

vehicles and vessels. Training and education will be provided in the following categories:

- a. Basic education, training, and qualifying new operators.
- b. Continuing Education and Training.
- c. Standards training to improve accuracy and performance.

## 11.1 DEFINITIONS

Terms used in this section have the following meanings:

- 11.1.1 "PRC" means the Problem Response Center maintained by DOL. This telephone available information unit offers ongoing problem resolution on the Vehicle Field System for Agents and subagents.
- 11.1.2 "CBT" means the Computer Based Training software used to educate and train individuals on the basics of computer use.
- 11.1.3 "Education Mode" means the software program which emulates the full business operation of the Vehicle Field System. This mode is used as practice to train individuals on the system without creating "real" vehicle or vessel records.
- 11.1.4 "Production Mode" means the full business mode available to each licensing office to do "live" business transactions which update the database. This mode is used by individuals after they have been trained in Education Mode.

## 11.2 BASIC EDUCATION AND TRAINING

- 11.2.1 DOL and Agent agree that present Agent and subagent personnel are fully trained on the operation and functions of the Vehicle Field System (VFS) and the necessary functions relating to the licensing of vehicles and vessels and the issuance of vehicle license number plates and vessel decals.
- 11.2.2 The Agent is responsible for and shall educate, train, and qualify for Production Mode operation, all Agent and subagent's personnel hired subsequent to the execution of this agreement. Agent shall ensure that all licensing personnel assigned the responsibility of processing title and license registration applications and performing other licensing functions, receive adequate education and training to enable the person

to complete normal title and license functions and to properly disburse the materials and operate the equipment provided.

11.2.3 DOL will provide Agent the following materials to assist Agent in conducting education and training of licensing personnel:

- VFS Operating Guides
- VFS User Manuals with casebook
- Electronic mailbox capabilities
- Computer Based Training (CBT) programs
- Other training aids and assistance when available
- Qualification standards

### 11.3 CONTINUING EDUCATION AND TRAINING

11.3.1 DOL shall provide continuing education and training to Agent and subagent's licensing personnel regarding new and amended laws, rules, and procedures. DOL will develop training materials, schedule training meetings, and conduct classes as necessary to maintain competency in the Agent and subagent's licensing staffs.

11.3.2 Agent shall ensure the attendance of Agent and subagent's licensing personnel at training classes as required by DOL.

### 11.4 STANDARDS TRAINING

11.4.1 DOL shall monitor Agent and Agent's subagents performance of all vehicle and vessel licensing functions for courteous, accurate, and professional conduct. DOL will advise Agent when the Agent's or subagent's performance does not meet the standards set in this contract. DOL and Agent shall coordinate their efforts to improve the standards in a timely and cost effective manner.

11.4.2 Agent shall provide training to improve standards in processing license applications and other functions performed by Agent and subagent's licensing personnel.

11.4.3 Agent shall conduct periodic education and training classes to improve the performance and accuracy of Agent and subagent's licensing personnel.

11.4.4 Agent shall ensure the attendance of Agent and subagent's licensing personnel at training classes as required by DOL or Agent, to maintain competency in the licensing functions and to improve knowledge and functionality of the individuals.

11.4.5 DOL shall maintain a problem response center (PRC) to assist Agent and subagent's by providing instant assistance with daily problems that materialize during business hours. Agent and subagents may contact the PRC during normal business hours and receive assistance in processing particular applications and equipment problems.

## 12.0 SUPPLIES AND EQUIPMENT

DOL shall provide supplies, equipment, and perform equipment maintenance under the terms and conditions set forth below. Supplies and equipment furnished by DOL shall be used solely for the performance of this agreement unless authorized by DOL. DOL will provide the Agent access from the Agent's location to DOL's central vehicle and vessel information file for the purpose of inquiry and to update those files as to licensing, registration, and titling transactions performed by Agent. Agent shall make changes directly to information stored in DOL's vehicle and vessel information files only as may be authorized by DOL, pursuant to this agreement.

### 12.1 DEFINITIONS

Terms used in this section have the following meanings:

- 12.1.1 "Supplies" means, but is not limited to: paper products, expendable items used on computer equipment provided by DOL, license plates, year and month tabs, vessel decals, veteran emblems, and disabled person placards, all of which are further defined in the Title and Registration Services Operating Manual. "Supplies" does not include general office items such as pens and pencils, writing paper, and envelopes, unless such items have unique uses in the performance of this agreement.
- 12.1.2 "Equipment" means, but is not limited to: monitors, modems, printers, software, mini-computers, mainframe computers, wiring back-bones and peripheral items, all of which are more fully identified in the Vehicle Field Services Automated Operating Guide and are necessary for functional operation of the Vehicle Field System (VFS) operation system. "Equipment" does not include document scanning units, mail sorting units, office furniture, or other equipment purchased by the Agent for its own use.
- 12.1.3 "Accountable item" means an inventory item of supplies provided by DOL which are exchanged by the Agents or their subagents to customers for a fee. Accountable items include, but are not limited to: vehicle license plates, license plate tabs, vessel decals, veteran emblems, various permits, and forms for which a fee is collected.

- 12.1.4 "Vehicle Field System Automated Operating Guide" means the DOL document which identifies and illustrates the functional operation of each piece of equipment used in the VFS. The document may be amended or revised at the discretion of DOL when equipment is changed, added, or deleted from the system.
- 12.1.5 "Vehicle Field System (VFS)" means the automated computer system and corresponding policies and procedures used when processing vehicle and vessel title and licensing transactions and for the collection and accounting of state revenues pursuant to this agreement.

## 12.2 SUPPLIES

- 12.2.1 DOL will issue to the Agent, in a timely and cost efficient manner, supplies needed by the Agent to properly perform duties under this agreement. Supplies provided will be inventoried and controlled, as provided in Vehicle Services Division Policy/Procedure VEH.11, as now or hereafter amended.
- 12.2.2 All supplies required to be furnished by DOL, pursuant to this agreement, shall be shipped directly by DOL to the destination address provided by Agent. The destination address shall be a facility under the direct control of Agent.
- 12.2.3 Agent will protect supplies from damage by environmental events, including, but not limited to; water, wind, fire, and extreme temperature variations. Agent shall provide basic care of supplies to protect them against all damage, destruction, and theft of any or all of the supplies. All accountable items shall be stored when not in use during the business day, within locked cabinets, storage rooms, or some other secured environment, all of which provide a double lock or a secured holding area when supplies are not being used.
- 12.2.4 All supplies furnished by DOL under this agreement shall remain the property of DOL and DOL shall retain full title and all rights associated with ownership. The supplies shall not become fixtures. The Agent shall not encumber or permit an encumbrance upon the state's title to the supplies, or the supplies themselves, in any manner.
- 12.2.5 Risk of, and responsibility for, loss or damage to the supplies during transportation or removal by DOL or its representatives shall be upon DOL. Risk of, and responsibility for, loss or damage while supplies are in the care and custody of Agent or its representatives shall be upon Agent.

## 12.3 EQUIPMENT

- 12.3.1 DOL will select and provide to Agent, without cost to Agent, the equipment and communications lines, identified in the Vehicle Field System Automated Operating Guide, necessary to DOL's vehicle and vessel records files. The equipment shall be installed by, or at the direct supervision of, DOL or its authorized contractor or agent without cost to the Agent. DOL or its authorized contractor or agent will test the equipment initially to ensure that it is functional at the time of installation.
- 12.3.2 DOL will install the equipment at locations mutually agreed to in writing by DOL and Agent, and using criteria developed by DOL as set forth in DOL Vehicle Services Division Policy/Procedures as now or hereafter amended. Agent shall not cause or permit any relocation or disconnection of the equipment once installed, without the prior written approval of DOL. Any request for relocation of equipment must be accompanied by a detailed floor plan of the new location. All relocations shall be carried out by DOL, or its authorized contractor or agent.
- 12.3.3 Agent will provide necessary electrical power outlets, telephone lines, and access terminals identified by DOL as being required to facilitate the installation or relocation of equipment provided by DOL.
- 12.3.4 Agent shall reimburse DOL for all of DOL's costs incurred by DOL or its authorized contractor or agents, for relocation or disconnection of equipment. Costs shall include, but may not be limited to; relocation or installation of communication lines, additional parts and equipment, and direct and indirect labor and travel expenses, as provided in chapter 43.03 RCW. DOL shall furnish an itemized invoice of all costs incurred upon completion of the relocation or disconnection. Agent shall remit payment in full to DOL within thirty (30) days from the date on the invoice or at such other time as agreed to in writing.
- 12.3.5 The number of VFS workstations allocated to Agent shall be mutually agreed upon by DOL and Agent, using criteria developed by DOL, as set forth in DOL Vehicle Services Division Policy/Procedure VEH.9 as now or hereafter amended. DOL and Agent will regularly monitor the validity of VFS workstation allocation criteria and statewide workstation allocations. Consideration for any adjustment in the numbers of workstations allocated under this agreement will be made primarily for providing sufficient automated equipment to maintain customer service while improving the efficiency and cost-effectiveness of statewide vehicle and vessel licensing activities.

- 12.3.6 Agent shall use the equipment for the purposes of carrying out its responsibilities under this agreement and as an agent of DOL, appointed pursuant to RCW 46.01.140, and as an agent of Washington State Department of Revenue, appointed pursuant to title 82 RCW, and for no other purposes without specific written authorization from DOL. Agent shall operate the equipment in accordance with the provisions of Vehicle Field System Automated Operating Guide, as now or hereafter amended.
- 12.3.7 Agent shall use reasonable care to protect the equipment from damage by environmental events, including, but not limited to: water, wind, fire, and extreme temperature variations. Agent shall provide basic care of equipment to protect it against damage, destruction, and theft of any and all of the equipment. All equipment shall be located in a secured environment when not in use.
- 12.3.8 The equipment furnished by DOL under this agreement shall be located upon the premises of Agent where it is installed. Agent shall make the equipment accessible only to authorized personnel of the Agent, DOL, and DOL contractors or representatives. Agent shall take all necessary steps to ensure the equipment is used only for the purposes provided under this agreement and only by authorized personnel of the Agent and DOL.
- 12.3.9 Agent shall not connect or permit to be connected any additional equipment to the communications line, or modify, add parts, or remove parts from the equipment without the expressed written consent of DOL.
- 12.3.10 All equipment furnished by DOL under this agreement shall remain the property of DOL and DOL shall retain full title and all rights associated with ownership. The equipment shall not become fixtures. Agent shall not encumber, or permit an encumbrance upon, the state's title to the equipment, or the equipment itself, in any manner.
- 12.3.11 Risk of, and responsibility for, loss or damage to the equipment during transportation, installation, maintenance, or removal by DOL or its representatives, shall be upon DOL. Risk of, and responsibility for loss or damage caused by ordinary wear and tear or by DOL or its authorized representatives, shall be upon DOL.

#### 12.4 MAINTENANCE OF EQUIPMENT

- 12.4.1 DOL is responsible to provide all maintenance and repair and

replacement for equipment provided by DOL under this agreement. It is DOL's exclusive right to determine the amount and extent of repair or maintenance required and for the replacement of equipment when deemed advisable by DOL or its representatives.

- 12.4.2 DOL is responsible for basic care of the equipment as set forth in the Vehicle Field System Automated Operating Guide.
- 12.4.3 DOL shall provide maintenance services as soon as reasonably possible following notification to DOL by Agent of a malfunction of the equipment.
- 12.4.4 DOL shall have sole discretion to determine the need for maintenance or engineering support, and to determine the appropriate solution to any malfunction of the equipment or communications line. DOL shall not be responsible to the Agent for any down time during the normal operating hours of the communications line.
- 12.4.5 Agent shall notify DOL as soon as possible of any malfunction of the equipment or of communications line problems by telephone to the Liaison/Problem Response Center (PRC), telephone number 1-300-336-4681. Agent shall provide full, free, and safe access to the equipment by DOL representatives, and other persons authorized by DOL as necessary to perform maintenance, between the hours of 3:00 a.m. and 5:00 p.m. and on any weekday which is not a state holiday.
- 12.4.6 Cost of repair, replacement, and maintenance of the equipment provided by DOL pursuant to this agreement is the responsibility of DOL. Agent shall reimburse DOL for any and all costs incurred for the repair, replacement, and maintenance of the equipment when the repair, replacement, or maintenance is required due to the failure of Agent to provide basic care of the equipment, as provided under this agreement or when the equipment is damaged or otherwise malfunctions through misuse, fault, or neglect of Agent.

### 13.0 SITE PREPARATION

Agent shall provide all office furniture and make any and all modifications to the site wherein the equipment is installed and provided by DOL pursuant to section 12.3. Agent shall provide a site floor plan setting forth the positioning of the furniture, electrical service, customer service areas, and any other requirements requested by DOL prior to DOL's approval of an original or relocation site. Agent is responsible for all site remodeling, procurement of furniture required to accommodate equipment and obtaining the necessary approvals of building owners and local building code authorities.

Agent shall provide dedicated electrical service of 15 amp isolated circuits required for each workstation of equipment provided by DOL. An isolated circuit means there will be no other electrical appliance connected to that circuit except the workstation worth of equipment provided by DOL. No more than ten (10) equipment items will be allowed on an isolated circuit. If the number of actual outlets on an individual isolated circuit are limited, a six (6) outlet 15 amp power strip with surge protector may be used.

Agent is responsible for procuring and installing wiring/cabling if the wiring/cabling is routed through a wall or floor, inside a wall or through a ceiling, inside a cable pole or a covered floor cable, or is over fifteen (15) feet in length. Agent is responsible for pre-drilling a 2-1/2 inch diameter hole for installation of wiring/cabling through counter tops or wall of cabinets. If wiring/cabling has to be routed across the floor, Agent is responsible for assuring that such floor wiring/cabling is under a table or desk and does not cross nor impede walkways in conformity with local building and safety codes and OSHA and WISHA rules administered by the Washington State Department of Labor and Industries.

#### 14.0 CONFIDENTIALITY OF INFORMATION

14.1 Agent shall adhere to any applicable current or future statutory or administrative rules including, but not limited to, chapter 2.17 RCW, RCW 46.12.370, RCW 46.12.380, and chapter 308-10 WAC and DOL Policy/ Procedure ADM. 7, as now or hereafter amended, regulating disclosure, the right of privacy, and confidentiality relating to all information and data to which Agent has access under this agreement.

14.2 Agent shall not use or furnish to any person, corporation, partnership, association, or organization of any kind for any commercial purpose by itself or by any other entity, any of the individual owner name or address information, or part thereof, provided by DOL under this agreement for the purpose of making any unsolicited business contact with the individuals named therein. The term unsolicited business contact means a contact that is intended to result in, or promote the sale of, any goods or services to a person named in the disclosed information, including the Agent or the Agent's subagent. This subsection shall not prevent Agent from requesting additional specific exceptions from this section from DOL, subject to prior written approval, and any conditions imposed by DOL. No exceptions shall be valid unless approved in writing by the Director of DOL and accompanied by a statement of conditions, if any, imposed on such approval, prior to the intended use of the information which is the subject of the exception.

## 15.0 DOL PROCEDURE MODIFICATION

DOL may modify the DOL Policy, Procedures, Vehicle Field System Operating Guide, and Vehicle Field System Automated Operating Guide, incorporated herein by reference as required to incorporate statutory amendments or to improve quality of service to the public. DOL will solicit the advice of the Title and Registration Advisory Committee (TRAC), Washington Association of Vehicle Subagents (WAVS), and Washington Association of County Officials (WACO), prior to adoption of modifications.

## 16.0 AUDIT

DOL or DOL's designee may conduct audits and inspections, during normal business hours, of Agent's licensing transactions, revenue collections and deposits, records, inventories, equipment, and performance, all of which pertain to the vehicle and vessel licensing activities of this agreement. DOL will prepare an audit report, and Agent will take immediate action to address all discrepancies, as provided in DOL Policy/Procedure VEH.3, as now or hereafter amended.

## 17.0 TERMINATION OF AGENT OR SUBAGENTS

17.1 This agreement, or appointment of Agent or Agent's subagent, may be terminated or revoked by DOL for Agent or Agent's subagent's failure to comply with non-material provisions of this contract or other agreement. Agent or Agent's subagent may cure such default after being given written notice thereof and a reasonable opportunity, which in no event shall be more than thirty days, to cure such default. If such default cannot reasonably be cured within thirty days, additional time may be granted if Agent or Agent's subagent has initiated substantial and continuing action to cure the default within the thirty days. Agent or Agent's subagent's continued failure to comply, which in no event needs to be more than three such failures within a twelve month period, with this agreement or other agreement for which notice and opportunity to cure has been given as provided in this subsection, DOL may terminate or revoke this agreement without giving prior notice or opportunity to cure.

17.2 This agreement, and appointment of Agent or Agent's subagent, may be immediately terminated or revoked without giving prior notice or opportunity to cure a default for failing to comply with any material provisions of this agreement which include, but are not limited to: any fraud, theft, or illegal act, for breach of any provisions of this agreement, attachments to, or DOL departmental policies and procedures contained in this agreement, or for abandoning the business.

- 17.3 Notice of termination shall be conclusively deemed to have been delivered to, and received by, the other party as of midnight of the third day following the date of its posting in the United State mail, addressed as provided in section 6.3 of this agreement, in the absence of actual delivery to and receipt by the party by mail or other means at an earlier date and/or time.
- 17.4 Agent or Agent's subagent or both shall immediately return all equipment and supplies provided by DOL upon termination of this agreement or revocation of the Agent's or Agent's subagent's appointment.

#### 18.0 PAYMENT IN THE EVENT OF TERMINATION

In the event this agreement is terminated, each party shall be responsible for the actual cost they have incurred during their performance under this agreement, and neither party shall be obligated to the other party for such costs. All fees and taxes collected by Agent and payable to the State of Washington shall be due and payable to DOL as provided in this agreement.

#### 19.0 REMEDY OF TERMINATION

The remedy of termination of this agreement, to release DOL from the obligations of this agreement, and afforded to DOL under the various provisions of this agreement shall not be deemed to be an exclusive remedy, but rather shall be in addition to all other remedies which may be available to DOL. Termination of this agreement shall release DOL from any and all obligations whatever under this agreement, but shall not bar DOL from pursuing any remedies which it would otherwise have against Agent.

#### 20.0 INDEPENDENT STATUS

DOL and DOL employees and DOL authorized representatives shall perform all duties pursuant to this agreement as an independent agency from Agent and not in any manner as officers, agents or employees of Agent. All references in this agreement to DOL shall include its employees and authorized representatives. Agent shall not withhold or pay any taxes or insurance or deductions of any kind in connection with reimbursement of DOL under this agreement.

Agent and Agent's employees and Agent's subagents shall perform all duties pursuant to this agreement as an independent agency from DOL and not in any manner as officers or employees of DOL. All references in this agreement to Agent shall include its employees and subagents. DOL shall not withhold or pay any taxes or insurance or deductions of any kind in connection with reimbursement of Agent under this agreement.

## 21.0 NONDISCRIMINATION

- 21.1 During the terms of this agreement, the parties agree to comply with the following nondiscrimination requirements as well as applicable federal, state, and local laws and regulations governing nondiscrimination. No party shall exclude a person from participation in, deny the benefits of, or discriminate against, individuals in connection with any function related to this agreement, or to be performed in connection therewith because of race, color, creed, religion, sex, marital status, national origin, age, or disability.
- 21.2 Agent will conduct a self-evaluation and complete a reasonable accommodation transition plan to comply with The Americans with Disabilities Act of 1990 (ADA) within six (6) months of execution of this agreement. A written copy of the plan shall be forwarded to the DOL Program Manager. Agent shall attend any training sessions on ADA offered to Agent by DOL. Agent shall immediately notify DOL of any allegations, claims, disputes, or challenges made against Agent under the ADA and shall cooperate with DOL in random compliance reviews with ADA.
- 21.3 In the event of the Agent's noncompliance or refusal to comply with the nondiscrimination section of this agreement, this agreement may be rescinded, canceled, or terminated, in whole or in part, for breach under section 17, and the Agent's appointment may be withdrawn and declared ineligible for further agreements with DOL.

## 22.0 LIMITATION ON LIABILITY AND RESPONSIBILITY

- 22.1 The parties agree that in no event shall the State of Washington, DOL, the Director of DOL, DOL employees, or any authorized representatives of DOL, be liable to Agent for any damages, costs, lost production, or any other loss of any kind for failure of DOL's equipment, hardware, or software to perform for any reason, or for the loss or consequential damage which is the result of acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of fire, failure of communications or computer equipment, facilities or software power failure, nuclear accidents, or other disasters.
- 22.2 The parties agree that in no event shall the County of 4-, the Agent, and the Agent's employees, be liable to DOL for any damages, costs, lost production, or any other loss of any kind for failure of DOL's equipment, hardware, or software to perform for any reason, or for the loss or consequential damage which is the result of acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of fire, failure of communications or computer equipment, facilities or software power failure, nuclear accidents, or other disasters.

22.3 The parties agree that in no event shall the State of Washington, DOL, the Director of DOL, and DOL employees, or any authorized representatives of DOL be liable for any claim of any nature against Agent by any party arising from any failure in the service furnished by Agent under this agreement, for any errors, mistakes, omissions, or acts on the part of Agent or Agent's subagents which result in the failure to properly release vehicles and vessel title interests.

22.4 The parties agree that in no event shall the County of \_\_\_\_\_, the Agent, and the Agent's employees, be liable for any claim of any nature against DOL by any party arising from any failure in the service furnished by DOL under this agreement, for any errors, mistakes, omissions, or acts on the part of DOL or its authorized representatives, which result in the failure to properly release vehicle and vessel title interests.

### 23.0 WAIVER

DOL may waive any of the provisions of this agreement deemed necessary in order to ensure that readily accessible service is provided to the citizens of this state.

### 24.0 SAVINGS CLAUSE

It is the belief of all parties that all provisions of this agreement are lawful. If any section of this agreement should be found to be contrary to existing law, by court decisions or opinion of the Washington State Attorney General, the remainder of the agreement shall not be affected thereby, and the parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement of such section. The provisions of the agreement shall be subject to any formal actions of the legislature of the State of Washington. In the event of conflicts between the formal actions of the legislature and provisions of the agreement, the former shall prevail.

### 25.0 CONTROLLING LAW VENUE

This Agreement shall be 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 shall be in the superior court for Thurston County, Olympia, Washington.

### 26.0 ALL WRITING CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

27.0 ENTIRE AGREEMENT

This Agreement may not be modified or amended without the written consent of both parties. The Agent shall comply with all applicable laws, ordinances, codes, regulations, and policies of local, state, and federal governments.

IN WITNESS WHEREOF, DOL and Agent have executed this agreement as of the date and year last written below. The parties signing hereby affirm that they have the authority to bind their respective parties to the terms of this Agreement.

DEPARTMENT OF LICENSING

1 -

\_\_\_\_\_  
Contract Officer Signature

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

APPROVED AS TO FORM ONLY:

APPROVED AS TO FORM ONLY:

\_\_\_\_\_  
Assistant Attorney General

\_\_\_\_\_  
County Prosecuting Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Sent to You By  
Legislative Research Agency

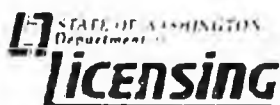
# AUDITOR/SUBAGENT VEHICLE/VESSEL POLICY/PROCEDURES

*The Department of Licensing  
has a policy of providing equal  
access to its services. If you  
need special accommodation,  
please call (206) 753-3554 or  
TDD (206) 664-3885.*

June 1994



 STATE OF WASHINGTON  
Department of  
**LICENSING**



DIVISION  
POLICY/PROCEDURE

POLICY AND PROCEDURE NUMBER  
VEH.2A

Personalized Plates

Vehicle Services

12/18/91

*John J. ...*

*Mary Rialland*

RCW 46.12.160  
RCW 46.16.560  
RCW 46.16.565  
RCW 46.16.570  
RCW 46.16.580  
Supersedes: VEH.2

POLICY:

Personalized license plates shall not duplicate or conflict with existing or projected vehicle license plate series or other numbering systems for records kept by the department. The department may refuse to issue any combination of letters or numbers that may carry connotations offensive to good taste or decency, or which could be misleading or a duplicate of license plates provided for in Chapter 46.16 RCW.

WAC 308-96A-066 PERSONALIZED LICENSE PLATES--DENIED OR CANCELED.

(1) An application for a personalized license plate may be denied, at the discretion of the department, when the department considers the combination of letters and numbers to be offensive to good taste or decency, which may be misleading; vulgar in nature, a racial ethnic, lifestyle or gender slur, related to illegal activities or substances, blasphemous, or contrary to the department's mission to promote highway safety.

(2) A personalized license plate may be canceled at the discretion of the department if after being issued the department determines the combination of letters and numbers to be offensive to good taste or decency by being profane, sexually suggestive, alcohol or drug related, racist, derogatory, or slanderous, or which could be misleading or a duplicate of license plates provided in chapter 46.16 RCW.

(a) When a personalized license plate is canceled, the vehicle owner will be refunded the amount of the fee paid pursuant to RCW 46.16.585 and 46.16.606 for such license plate; or

(b) Instead of a refund, the owner may apply for and be issued another configured personalized license plate without payment of an additional personalized license plate fee.

[Statutory Authority: RCW 46.01.110 and 46.16.580. 93-11-069, filed 6/30/93, effective 7/30/93.]

personalized plate staff, and their recommendation approved/disapproved by the supervisor.

Refer to the Title and Registration Services Administrator and Assistant Director of Vehicle Services for a decision in situations when no consensus can be reached.

Convey in person or by first class U.S. mail as appropriate if a plate is disapproved.

### C. CANCELLATION OF AN EXISTING PLATE MESSAGE

<u>Responsibility</u>	<u>Action</u>
Agents, Subagents	Refer all complaints to the Department of Licensing, personalized plate unit.
DOL Personalized Plate Unit	<p>Review and evaluate using the above guidelines for approval/disapproval of plate messages.</p> <p>Prepare a cancellation notice for the Assistant Director, Vehicle Services, signature whenever an existing plate is considered for cancellation based upon further review.</p> <p>Send cancellation notice and supporting documents to the Personalized Plate Review Team appointed by the Director.</p>
Review Team	Review proposed cancellation package and forward their decision to the Assistant Director.
Assistant Director, Vehicle Services	Sign the cancellation notice and return it to the Personalized Plate Unit.
DOL Personalized Plate Unit	Respond to the complainant and retain a copy of correspondence on file.

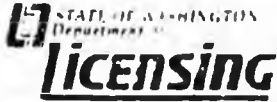
# CORRECTION

THE FOLLOWING DOCUMENT(S)  
HAVE BEEN REFILMED TO  
ASSURE LEGIBILITY OR PAGINATION



Rev 6'98

Central Microfilm Services  
Department of Education  
State of Alaska



DIVISION  
POLICY/PROCEDURE

POLICY NUMBER  
VEH.2A

Personalized Plates

Vehicle Services

12/18/21

*Mary Riordan*

49-0291033

- RCW 46.12.160
- RCW 46.16.560
- RCW 46.16.565
- RCW 46.16.570
- RCW 46.16.580
- Supersedes: VEH.2

POLICY:

Personalized license plates shall not duplicate or conflict with existing or projected vehicle license plate series or other numbering systems for records kept by the department. The department may refuse to issue any combination of letters or numbers that may carry connotations offensive to good taste or decency, or which could be misleading or a duplicate of license plates provided for in Chapter 46.16 RCW.

WAC 308-96A-066 PERSONALIZED LICENSE PLATES--DENIED OR CANCELED.

(1) An application for a personalized license plate may be denied, at the discretion of the department, when the department considers the combination of letters and numbers to be offensive to good taste or decency, which may be misleading; vulgar in nature, a racial ethnic, lifestyle or gender slur, related to illegal activities or substances, blasphemous, or contrary to the department's mission to promote highway safety.

(2) A personalized license plate may be canceled at the discretion of the department if after being issued the department determines the combination of letters and numbers to be offensive to good taste or decency by being profane, sexually suggestive, alcohol or drug related, racist, derogatory, or slanderous, or which could be misleading or a duplicate of license plates provided in chapter 46.16 RCW.

(a) When a personalized license plate is canceled, the vehicle owner will be refunded the amount of the fee paid pursuant to RCW 46.16.585 and 46.16.606 for such license plate; or

(b) Instead of a refund, the owner may apply for and be issued another configured personalized license plate without payment of an additional personalized license plate fee.

[Statutory Authority: RCW 46.01.110 and 46.16.580. 93-11-069, filed 6/30/93. effective 7/30/93.]

5. Letters or other written correspondence received by the department which expresses an opinion of the writer that the message is offensive, indecent, or misleading;
6. Any other reference material the department deems appropriate.

-----  
PROCEDURE:

A. APPROVAL OF PLATE MESSAGE

Responsibility

Action

Agents, Subagents

Inquire on the vehicle data base for the availability of a specific plate message as a courtesy to the public.

Request the applicant to mail or hand carry the application to the Department of Licensing, Olympia, Washington or to the King County Licensing Office, Seattle, Washington.

King County, DOL

Review and evaluate applications for personalized plates for:

1. Existing or planned plate configurations,
2. Availability by checking the vehicle data base,
3. Acceptable message connotations.

Approve plate message.

Establish data base vehicle record.

Issue plate pursuant to existing procedures.

B. DISAPPROVAL OF PLATE MESSAGE

Responsibility

Action

King County, DOL

All questionable applications are to be reviewed and discussed by the DOL

personalized plate staff, and their recommendation approved/disapproved by the supervisor.

Refer to the Title and Registration Services Administrator and Assistant Director of Vehicle Services for a decision in situations when no consensus can be reached.

Convey in person or by first class U.S. mail as appropriate if a plate is disapproved.

### C. CANCELLATION OF AN EXISTING PLATE MESSAGE

<u>Responsibility</u>	<u>Action</u>
Agents, Subagents	Refer all complaints to the Department of Licensing, personalized plate unit.
DOL Personalized Plate Unit	Review and evaluate using the above guidelines for approval/disapproval of plate messages.  Prepare a cancellation notice for the Assistant Director, Vehicle Services, signature whenever an existing plate is considered for cancellation based upon further review.  Send cancellation notice and supporting documents to the Personalized Plate Review Team appointed by the Director.
Review Team	Review proposed cancellation package and forward their decision to the Assistant Director.
Assistant Director, Vehicle Services	Sign the cancellation notice and return it to the Personalized Plate Unit.
DOL Personalized Plate Unit	Respond to the complainant and retain a copy of correspondence on file.

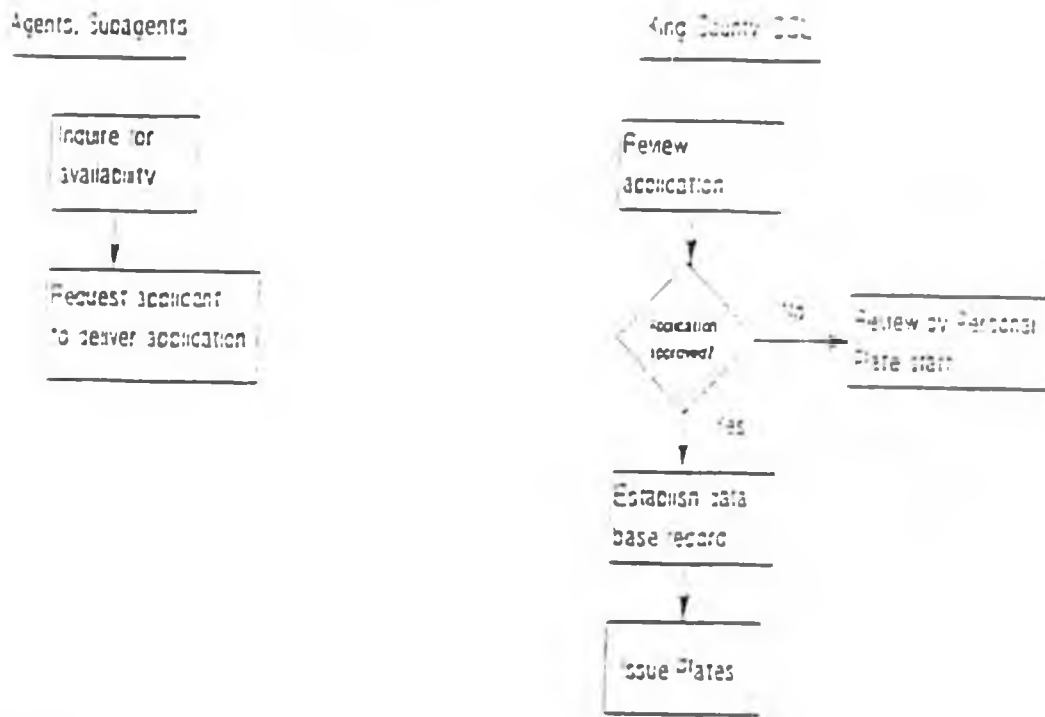
When approved for cancellation:

1. Assign regular plates to the vehicle.
2. Cancel the personalized plate by changing the vehicle data base record to show the regular plate assigned.
3. Send the cancellation notice, new vehicle registration and regular plates to the last known address of the vehicle registered owner using certified U.S. mail.

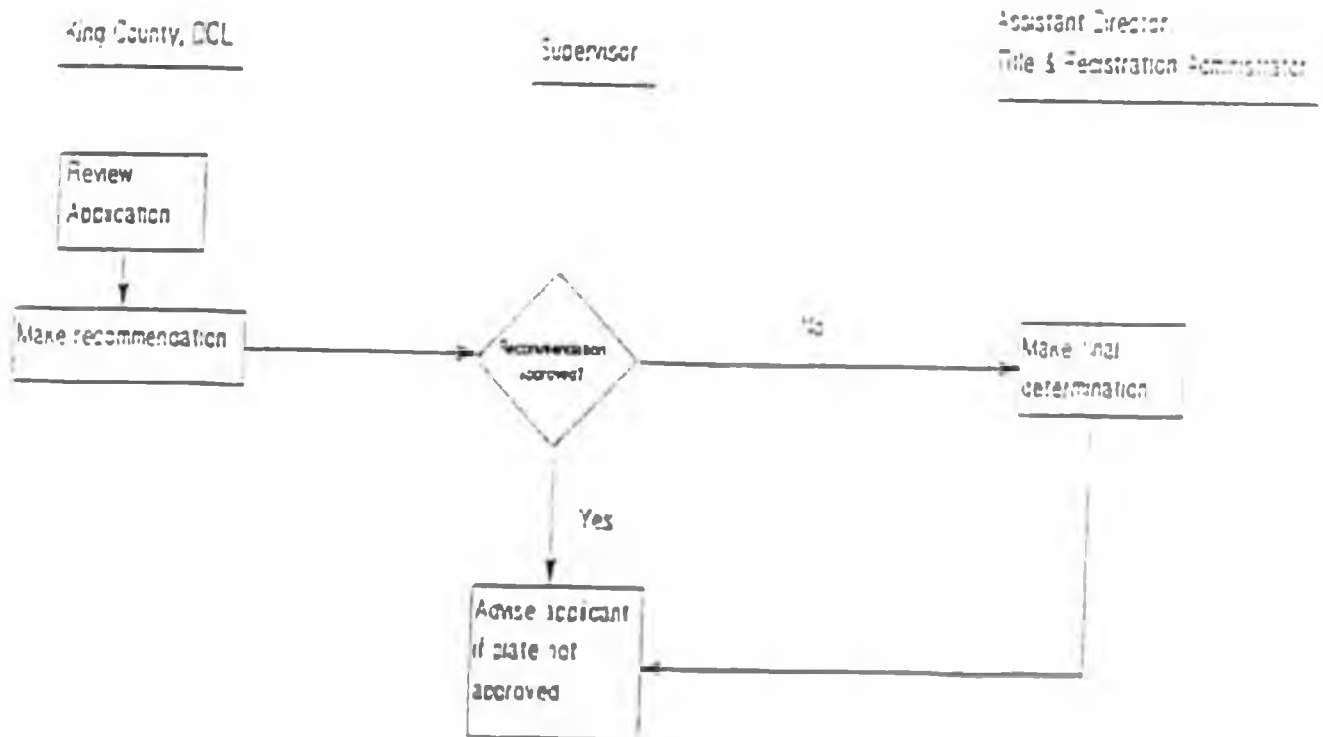
NOTE: The cancellation notice shall offer the applicant a choice of another personalized plate or a refund of the unused portion of the plate fee.

# Personalized Plates

## A. Approval of Plate Message

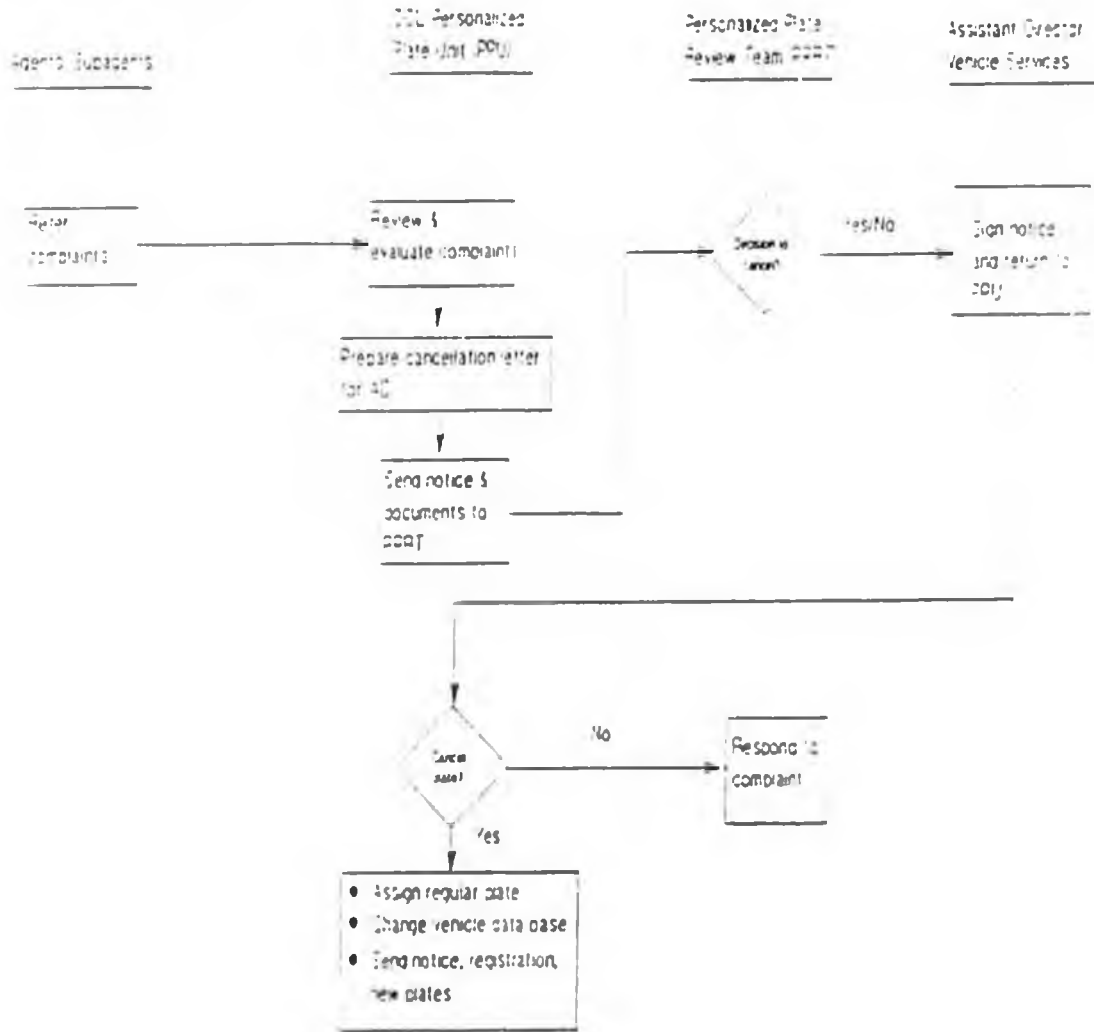


## B. Disapproval of Plate Message



# Personalized Plates

## C. Cancellation of an Existing Plate Message





DIVISION  
POLICY/PROCEDURE

APPLICABLE PROCEDURE NUMBER  
VEH.3A

Standards of Operations for Agents, Subagents, and DOL Office	
Vehicle Services	REFERENCES RCW 46.01.140 VEH.3A
10/25/90	
<i>Robert S. Anderson</i>	
<i>Mary Jaulk</i>	

POLICY:

The Department of Licensing and its Agents and Subagents will adhere to prescribed standards of operation for vehicle and vessel title and registration functions.

PROCEDURE:

A. CONTRACTS

Responsibility

Action

Subagents

Enter into a formal contract with the agency defining the terms and conditions of operation including, but not limited to:

1. Agreement to comply with all statutes and department procedures regarding licensing of motor vehicles and vessels.
2. Minimum hours of operation.
3. Record keeping and reporting requirements.
4. Authorized subagent fees.
5. Bond and insurance requirements.

6. Termination rights and timelines.
7. Agreement to comply with equal opportunity and human rights laws.
8. Non-transferable, non-exclusive clause.
9. Hold harmless clause for agent and DOL.
10. Contract effective dates.
11. Assurance of accessibility to records for auditing during normal business hours.

Enter into a formal contract with the Department of Licensing (DOL) and agent regarding automation equipment.

## B. BONDS AND INSURANCE

### Responsibility

Agent, Subagent

### Action

Maintain proof of bond and insurance coverage.

Obtain a bond bound to the County Auditor or agent and the State of Washington in the amount of \$1,000 to cover plates, tabs, etc., plus \$5,000 or three times the projected daily revenue to be received by the subagency, whichever is greater.

NOTE: The agent may opt to provide equivalent blanket bond coverage for any or all of its subagents.

CALCULATIONS: Use May, September or October historical data (or projection if new subagency).

Multiply the one month's receipts and divide by the number of work days in that month.

Obtain burglary, robbery, fire, casualty, vandalism, and malicious mischief insurance coverage in the amount of \$1,000 to cover plates, tabs, etc., that may be possessed plus \$5,000 or twice the daily revenue receipts, whichever is greater, to cover the replacement cost of state property possessed, including the loss of money or securities. Automation equipment shall be insured as specified in the CAAP contract.

NOTE: The named insured for each type of coverage shall be the County Auditor and the Director, Department of Licensing.

1. At the discretion of the Administrator, Title and Registration Services, coverage above the minimum amount may be required for an agent or subagent.
2. At the discretion of the agent, coverage above the minimum amount may be required for a subagent.

### C. BANK ACCOUNTS

#### Responsibility

Agent, Subagent  
DOL Office

#### Action

Establish a bank account in accordance with DOL Directive VEH.7: Bank Accounts for Agents and Subagents and DOL Office.

D. BUSINESS SITE

Responsibility

Agent, Subagent

Action

Provide a business site that is convenient and easily accessible to the public.

Provide service and arrange facilities in a manner which provides and identifies access to the handicapped.

Provide adequate parking for the license customers being served.

Provide sufficient customer waiting area to accommodate anticipated volume of business.

Provide adequate work space for employees, workstations and required inventory items.

Provide security for money and inventory at all times. Keep money, inventory and validation stamp inaccessible to the public.

1. During working hours, keep the work area containing money, inventory and validation stamp under constant supervision. Lock excess inventory in a secure place.

2. During non-working hours, keep all money, inventory and validation stamp in a locked room or cabinet accessible only to authorized personnel.

Provide secure area for automated equipment.

Restrict access to automated equipment to authorized personnel

(licensing employees and DOL authorized personnel).

E. PUBLIC NOTICE

Responsibility

Action

Agent, Subagent

Post a sign visible to the public identifying the business site as a vehicle/vessel license agency or subagency. When not prohibited by law or ordinance, this sign should be located so that it can be read by persons driving by the location.

Post business days and hours of operation in such a manner that they can be readily seen when the business is closed.

NOTE: All business hours must be approved by the agent and a copy furnished to Liaison.

Subagent

Post subagent service charges in such a manner that they can easily be read by a customer prior to the customer receiving service.

Do not impose service charges in excess of those allowed in Appendix A.

Post the Certificate of Appointment where it can be seen by customers.

Post changes in business days or location 30 days prior to change.

F. SERVICE TO THE PUBLIC

Responsibility

Agent, Subagent  
DOL Office

Action

Provide courteous, accurate, efficient and timely service for all customers.

Provide all services authorized by DOL.

Make every reasonable effort to assist applicants in solving titling and licensing problems.

Provide assistance and instruction to local vehicle and vessel dealers in completing title and license registration applications.

Serve the public during approved working days and hours.

Represent the Department of Revenue in collecting use tax and granting tax waivers. Follow instructions from the Department of Revenue and DOL regarding such matters, making every reasonable effort to collect the proper amount of tax in a courteous and efficient manner.

Cooperate with the Washington State Patrol, Department of Ecology and other governmental units to ensure that required documents are submitted; provide instructions on how to obtain required inspections and/or other items when requested.

If limited service is available due to computer downtime, post notice that can readily be seen by customers that only limited service is available.

Combine computer transactions to minimize customer service fees.

Liaison, Problem Response  
Center (PRC)

Notify agents of scheduled computer  
downtime so that appropriate backup  
procedures can be instituted with  
minimum disruption to service.

## G. PERSONNEL TRAINING

### Responsibility

### Action

Liaison, Field Operations

Provide operating manuals, memos,  
charts and other materials as needed  
to enable license clerks to effectively  
complete applications and provide  
efficient service. Provide training  
for agents, subagents and DOL  
offices regarding new or changed  
laws, rules or procedures.

Provide training to correct  
deficiencies found by department  
monitoring of applications and  
reports, Liaison field visits and  
audits.

Agent, Subagent  
DOL Office

Ensure that all persons assigned the  
responsibility of accepting title and  
license registration applications have  
received training that enables them  
to complete normal title and license  
applications with materials and  
equipment provided. The training  
must also enable them to handle  
complex situations and complete  
unusual or difficult applications with  
minimal assistance. The agent has  
primary responsibility for the  
training of agent and subagent  
personnel.

All License Personnel

Attend training classes as required  
by the subagent, agent or Liaison.  
Actively seek to improve knowledge  
and competence by studying  
materials and equipment provided by  
the agent or the department.

materials and equipment provided by the agent or the department.

## H. STANDARD OF WORK

### Responsibility

Agent, Subagent,  
DOL Office

### Action

Complete all applications for title, license, permit or other services in accordance with the Operating Guide and/or other instructions provided by DOL.

Certify signatures in accordance with instructions in the Operating Guide. Require identification of all persons before certifying their signatures.

Make every reasonable effort to correct errors and resolve problems, including those deficiencies and discrepancies noted by the department.

Follow data entry guidelines provided by DOL. Verify accuracy of data before submitting work to DOL.

NOTE: Agent will provide subagents with all required forms, instructions and training to ensure full service.

## I. COMPLIANCE

### Responsibility

Agent, Subagent

### Action

Coordinate with Liaison (subagent also notify agent) on anticipated changes in hours, location, address, personnel or any other matter that might affect service to the public.

Maintain and adhere to all current instructions and fee schedules.

I. QUALITY ASSURANCE

<u>Responsibility</u>	<u>Action</u>
Compliance Audit	Perform periodic audits of agents and subagents and DOL offices according to the Compliance Audit Procedures Manual.
Liaison	Perform periodic monitoring of all agent, subagent, and DOL offices to determine compliance with DOL procedures.
Agent, Subagent DOL Office	Provide access to all records as requested by Compliance Audit or Liaison. Cooperate with, and provide any needed assistance to DOL representatives.
Compliance Audit	Prepare an audit report which describes the results of the audit. For any negative findings (problems or discrepancies), the report must give specific instruction for corrective action to be taken by the agent/subagent and specify when the corrective action is to be completed.
	Provide copies of the audit reports to the agent, subagent, DOL office, Vehicle Services, Assistant Director, Liaison Supervisor, the assigned Liaison Officer, and the State Auditor.
	Send the subagent audit report to the agent for distribution to the subagent.
Agent	Send copy of subagent audit report to subagent.
Agent, Subagent DOL Office	Review audit reports from Compliance Audit and seek assistance from Liaison as appropriate. Resolve items requiring

corrective action, prepare and send written audit response to Compliance Audit within time frames specified in audit report transmittal.

Liaison

Review audit reports received from Compliance Audit, and if warranted, take the following steps to resolve problems indicated:

1. Monitor procedures to identify the source of the problem.
2. Instruct persons in correct procedures.
3. Monitor activity to ensure that correct procedures are being followed.
4. Send a written report of results achieved to the Assistant Administrator, Field Operations, and a copy to Compliance Audit within ninety days of the audit report that pointed out the problem.

Agent/Administrator

Take action as appropriate when a report of missing or misused state funds is received. Refer the matter to the County Prosecutor when the situation warrants.

APPENDIX A

SUBAGENT SERVICE CHARGES

EXAMPLES OF MAXIMUM ALLOWABLE SUBAGENT SERVICE CHARGES

Title without license . . . . .	\$2.00
Title with license . . . . .	\$4.00
Prebill and no bill . . . . .	\$2.00
Registration with renewal and/or license . . . . .	\$2.00
Registration without renewal and/or license . . . . .	\$2.00

Charges not authorized by the department include, but are not limited to:

1. Charges for notary fees when certificate of signature without notary seal is allowed by WAC.
2. Charges for completing DOL forms which are to be used as supporting documents for title or license applications, regardless of whether or not the transaction is completed at the office.
3. Charges for long distance telephone calls for record verifications.



DIVISION  
POLICY/PROCEDURE

VEH.4B

Processing of Dishonored Checks, Cancellations and Revalidation of Vehicle and Vessel Registrations (VFS)

Vehicle Services

RCW 46.01.230

RCW 46.12.160

RCW 46.16.270

RCW 62A.3.515

ADM.5B Dishonored Check

Handling Fee

VEH.10C

Supersedes: 20-01-5B, VEH.4A

dated 5/5/89

*4/26/91*  
*Chull Anderson*  
*Mary Reuland*

POLICY:

The Department of Licensing will adhere to established methods for cancellation of a vehicle or vessel title and/or registration and license plates or registration number which have been purchased with a dishonored check that has failed collection attempts and if the check meets the following criteria:

1. It is submitted prior to the date the vehicle or vessel was listed on a wrecker report; or
2. It is submitted to the department and the ownership has not changed on the vehicle or vessel report.

This policy will not apply when the check is written by a Washington dealer for fees previously collected from a customer. This policy will apply when the check is written by a non-Washington dealer for fees collected from a customer, as the department has no jurisdiction over non-Washington dealers.



DIVISION  
POLICY/PROCEDURE

VEH.6B

Transmitting Documents to DOL by Agents, Subagents and DOL Office (VFS)  
and Transmitting Documents to Agents by Subagents

Vehicle Services

VEH.10C

Supersedes: 20-01-12A.

VEH.6A dated 6-26-89

4/26/91  
*Robert Anderson*

*Mary Lunsford*

POLICY:

The Department of Licensing and its agents and subagents will follow standardized procedures when transmitting documents.

PROCEDURE:

Responsibility

Action

Agents, Subagents  
and DOL Office(s)

Produce shipping list through end  
of day functions.

Arrange documents in groups and  
sequence of shipping list, starting  
with 1-50. Within each group,  
arrange documents by workstation.  
Shipping list groups are:

1. vehicle title work;
2. vessel title work;
3. unresolved DHC Report (if  
activity);
4. backed-out transaction  
documents.

Subagents

Send to agent:

1. auditor's copy of all  
vehicle title applications

without supporting documents:

2. auditor's copy of all vehicle non-title applications with supporting documents attached;
3. auditor's copy of all vessel title applications without supporting documents;
4. auditor's copy of all vessel non-title applications with supporting documents attached;
5. Department of Ecology emission exemption forms. Do not forward these to the Department of Licensing;
6. Federal Heavy Duty Vehicle Use Tax proof of payment forms. These are to be banded separately. Do not forward to Department of Licensing.

Agents/Subagents

Send to department::

1. department copy of all vehicle title applications with supporting documents;
2. department's copy of all vessel title applications with supporting documents attached;
3. DHC Report with supporting documentation. if there is activity;
4. Backed-out transaction documents including customer copies. These are kept in the

agents/subagents offices for 18 months. Do not send to the Department.

Auditors

Send emission exemption forms to Department of Ecology. (Address on Dept. of Ecology form)

Agents, Subagents and DOL Office(s)

Send application documents and the original copy of the shipping documents to DOL by close of next business day. Retain a copy of the shipping list by transmittal date for 18 months.

Subagents

Send auditor copy of documents and shipping list to agent by close of next business day.

Agents

Retain auditor copies of applications and supporting documents for 18 months.

# Transmitting Documents

## Agents, Subagents DOL Office(s)

Produce shipping list

Arrange documents  
through

Retain copy of shipping  
list for 18 months

## Subagents

1. Send to Agent:  
Auditor's copy of  
Vehicle Title App  
Vehicle non-title App  
Vessel title App  
Vessel non-title App
2. Emission exemption  
forms
3. Federal Heavy Duty  
Vehicle Use Tax  
proof of payment

## Agents

## Agent/Subagents

Send to Department  
Department copy of  
Vehicle Title Apps  
Vessel Title Apps  
DOL apps  
Backlog transaction  
documents

Retain auditor  
copies for 18  
months

Bank Accounts for Agents, Subagents and DOL Offices (VFS)

Vehicle Services	RCW 46.01.230
	RCW 46.01.140
	ADM.5B: Dishonored Check Handling Fee
	VEH.3A: Standards of Operations
	VEH.3A: Appointment Termination of Agents and Subagents
	VEH.10C: Handling of Dishonored Checks
	Supersedes: 10-01-13, VEH.7 dated 7/6/88

POLICY:

The Department of Licensing and its agents and subagents will follow standardized procedures and guidelines used in establishing and maintaining bank accounts and bank account records of fees collected in association with issuance of vehicle and vessel registrations, licenses and titles.

PROCEDURE:

A. ESTABLISHING THE BANK ACCOUNT

Responsibility

Action

Agents, Subagents,  
DOL Office

Establish an agency checking account, with banks that will accept electronic transfers, automated clearinghouse (ACH tapes), identified as in the following examples:

Department of Licensing, Agency  
Account King Co. Auto License  
Dept., Agent

Department of Licensing, Agency  
Account Auburn Auto License  
Agency, Subagent

Subagents

Sign signature card authorizing the withdrawal of DOL funds. The department controller must be authorized to withdraw funds from the agency account without the agents' signature.

Agents, Subagents,  
DOL Office

Sign signature card authorizing the appropriate agent to withdraw funds without subagents' signature.

Attempt to negotiate a no-fee, no-interest account with the bank.

Obtain pre-numbered checks from the bank.

Notify DOL one month in advance of any change in bank accounts so that testing of the system may be accomplished and Federal Reserve System approval can be obtained.

NOTE: Agents and subagents are responsible for all fees and banking charges incurred in operating the bank account. These charges are not transferable to DOL, nor will DOL compensate agents and subagents for such charges.

### B. PREPARING DEPOSITS

#### Responsibility

Agents, Subagents  
DOL Office

#### Action

Ensure that the total bank deposits equal the total money received for each business day as shown on the workstation summary.

Prepare deposit slips in duplicate. Give the original to bank; retain the duplicate.

Ensure that no other money is deposited into the agency account or intermingled with DOL funds.

Deposit cash and checks into the local bank no later than the close of the banking day on the day following collection.

Obtain a receipt from the bank for each day's deposit.

### C. WRITING CHECKS

#### Responsibility

Agents and Subagents

#### Action

Write checks on this account to withdraw authorized agent filing fees or subagent fees in the name of the subagency only.

Ensure that no other checks or withdrawals except authorized ACH withdrawals are made from this account. Refunds are not to be drawn from this account. (Refunds will be made by the department.)

### D. MAINTAINING THE CHECKING ACCOUNT RECORDS

#### Responsibility

Agents, Subagents,  
and DOL Office

#### Action

Maintain the following information concerning all checking account transactions for DOL inspection:

1. Indicate date of each transaction in check register.
2. Indicate name of each payee in check register.
3. Indicate amount and date of each check written and deposit made in the check register.

4. Indicate adjustments, such as deposit errors or dishonored checks, by date and reference to support documentation.
5. Post ACH tape withdrawals made by DOL.
6. Maintain up-to-date running balance in the check register.

NOTE: Must carry a zero or positive balance. A negative balance is not acceptable. Agents and subagents can prevent a negative balance by keeping two or three days of their fees on deposit to cover potential dishonored checks.

Reconcile the bank account each month after receipt of the bank statement.

1. List all deposits which do not appear in the bank statement.
2. List all written checks and DOL withdrawals not shown as cleared on bank statement.
3. Note and resolve any differences between bank statement and checking account. Attach and retain the written reconciliation with the checking account and bank records.
4. Retain reconciliation record for six (6) years.

Reference Bank Reconciliation (Appendix A) for sample form of checking account reconciliation with bank statement.

Maintain the checking account and bank records where they are readily available for audit when requested by department.

Retain the checking account records and bank statements for six (6) years.

## E. CHANGES TO BANK ACCOUNTS

### Responsibility

Agent/Subagent

### Action

Notify Revenue Accounting concerning any changes affecting electronic transfer of funds 30 days in advance.

Notify DOL one month in advance of any change in bank accounts so that testing of the system may be accomplished and Federal Reserve System approval can be obtained.

Obtain new signature cards, if needed, and obtain Controller's signature.

Field Operations

Retain a copy of new signature card in agent/subagent file.

APPENDIX A  
BANK RECONCILIATION

(Sample Form)

Date

Balance Per Bank Statement \$100,000

Add Outstanding Deposits:

<u>Date</u>	<u>Amount</u>
9/29	25,500
9/30	29,200

Total Outstanding Deposits \$ 54,700

Total Outstanding Deposits and Bank Statement Balance \$154,700

Deduct Outstanding Checks and DOL ACH Tape Withdrawals:

<u>Date</u>	<u>Check/Voucher Number</u>	<u>Amount</u>
9/27	1453	101
9/29	1454	4,569
9/30	1455	92

Total Outstanding Checks \$ (4,762)

Date

Adjusted Balance \$149,938

Book Balance \$150,014

Difference \$ 76

Explanation of Difference:

Check Printing:	(22)
Monthly Service Charge:	<u>(54)</u>
	(76)

# Bank Accounts for Agents, Subagents and DOL Officers (VFS)

## A. Establishing the Bank Account

Agent, Subagents,  
DOL Office

Subagent

Establish agent  
checking account

▼

Sign signature  
card

Sign  
signature  
card

▼

Obtain check  
numbered  
checks

▼

Notify DOL one month in  
advance of any changes  
in bank account

## B. Preparing Deposits

Agents, Subagents  
DOL Office

Ensure deposit is made  
workday or business

▼

Prepare deposit  
slips in duplicate

▼

Do not intermingle  
funds

▼

Deposit by close of  
business day or  
following day

▼

Obtain  
Receipt

# Bank Accounts for Agents, Subagents and DOL Officers (VFS)

## C. Writing Checks

Agent, Subagents.

Write checks in name  
of subagent only



Ensure only authorized withdrawals  
are made from account

## D. Maintaining the Checking Account Records

Agents, Subagents  
DOL Office

Maintain proper  
information



Reconcile bank account  
each month



Keep records  
available for audit



Retain records for  
six years

## E. Changes to Bank Accounts

Agents, Subagents

Field Operations

Notify Revenue Accounting DC  
30 days in advance of electronic  
transfer changes



Notify DOL one month in advance  
of any changes to bank account



Obtain new signature card  
if needed

Keep copy of new signature card  
in agent/subagent file

Appointment and Termination of Agents and Subagents

Vehicle Services	
EFFEKTIVE DATE	10/25/90
APPROVED BY	<i>Robert Anderson</i>
APPROVED BY	<i>Mary Jauk</i>

REFERENCES  
RCW 46.01.140  
RCW 46.01.130  
VEH.3: Standards of Operations  
for Agents, Subagents and DOL  
Offices

POLICY:

The Department will adhere to establish standards when appointing and terminating its Agents and Subagents.

-----  
PROCEDURE:

A. APPOINTMENT OF AGENTS AND SUBAGENTS

<u>Responsibility</u>	<u>Action</u>
Director	Appoint Agents and Subagents.  NOTE: RCW 46.01.130 authorizes the Director to appoint representatives in different parts of the state and to appoint County Auditors as Agents.
Director, Agent	Enter into an agreement outlining operating procedures and equipment requirements.
Agent	Select subagent for appointment by Director.

B. NEW SUBAGENTS

Responsibility

Action

NOTE: A new Subagent is one which will not be in the same general area, nor serve the same clientele as a previous Subagent. Some replacement Subagents, as specified in Section C, will be processed as new Subagents.

Agent

Submit written request for establishing a Subagent to Department of Licensing (DOL) prior to soliciting applications.

Include data which reasonably projects the volume of business for the proposed agency. Provide data which meets the following criteria:

1. Distance / Population / Volume

Monthly Volume	Distance to Nearest Licensing Office
Over 1500 transactions....	Fewer than 5 miles
1001-1500 transactions.....	5 miles or more
501-1000 transactions.....	10 miles or more
301-500 transactions.....	15 miles or more (15-25 daily average)
201-300 transactions.....	25 miles or more (10-15 daily average)
200 or fewer transactions...	40 miles or more (fewer than 10 daily)

Base support for projections on the following considerations:

- a. Distance: Mileage by surfaced road to nearest surrounding licensing offices in respective of county lines;
- b. Population: Voter populations or census data by area, or vehicle data by area; and

c. Volume: Transactions of neighboring offices.

2. ELECTRONIC BANKING

Provide for electronic transfer of funds from Subagent's bank account.

3. STAFFING

Provide Agent and Subagent sufficient staff to deliver high quality customer service.

4. TRAINING

Provide training on a continuing basis.

Assistant Director,  
Vehicle Services

Acknowledge Auditor request by letter outlining DOL review procedure. Forward request and copy of letter from Agent to Assistant Administrator, Field Operations within ten days.

Assistant Administrator,  
Field Operations

Evaluate the request and write a System Service Request (SSR) requesting technical and budget impacts. Include expected volume and number of workstations proposed. Send signed SSR to Information Services.

Prepare separate report to include:

1. Ability to meet criteria.
2. Expected impact on other offices.
3. Number of workstations proposed:  
and
4. Recommendation.

Forward report to Assistant Director, Vehicle Services within two weeks.

Information Services

Evaluate the SSR and prepare a report to include:

1. Technical feasibility,
2. Budget impact,
3. Schedule estimate; and
4. Recommendation.

Forward report to Assistant Director, Vehicle Services within two weeks.

Assistant Administrator,  
Field Operations

Schedule meetings with Subagency Review Team to review all subagency requests on a statewide basis. Prepare summary of requests.

Subagency Review Team\*

Review Subagency requests, Field Operations' and Information Services' reports. Make recommendation to Director based on:

1. Ability to meet and/or exceed criteria;
2. Availability of equipment;
3. Impacts on County Auditor Automation Project (CAAP) network;
4. Need for Subagency; and
5. Budgetary and other considerations.

---

\* Deputy Director; Assistant Director, Vehicle Services; Administrator, Title and Registration Services; Vehicle Systems Manager; Assistant Administrator, Field Operations; two representatives of Liaison Committee not from a county under review; Washington Association of County Officials (WACO) representative; Subagent representatives.

Director

Approve (confirm) or disapprove (deny) Agent's request.

NOTE: Approval may be dependent upon Agent/Subagent agreeing to pay costs of automation, including one-time setup costs and monthly on-going costs.

Assistant Director,  
Vehicle Services

Prepare decision letter to the Agent within two weeks. When automation costs are not included in the Department's budget, the Agent/Subagent will be required to pay these costs. The letter of approval is to contain, in detail, the specific costs that must be paid by the Agent/Subagent.

Agent

If approved, advertise in a newspaper of general circulation to solicit applications for new Subagency. Advertisement should include:

1. An Affirmative Action Statement to the effect: "The Department of Licensing is an Equal Opportunity Employer, and encourages women, minorities, aged and handicapped to apply for subagency";
2. A description of the area to be served;
3. Time frame during which applications will be accepted;
4. A statement of where and when application forms and additional information will be available; and
5. Automation costs as specified in approval letter.

Accept and review applications. Interview applicants and inspect proposed locations. Review DOL procedures with the applicant and obtain assurance that, if appointed, the applicant will comply.

Assistant Administrator, Field Operations	Send a signed, recommended application to the Assistant Administrator, Field Operations.
	Include a map of the area showing distance to the nearest licensing office. Also include evidence of compliance with the Department's Affirmative Action policy, i.e. newspaper clipping of announcements.
	Evaluate application and whenever possible, interview applicant.
	Forward a Certificate of Appointment with the application and recommendation for approval or disapproval, to the Assistant Director, Vehicle Services within two weeks of receipt of application.
Assistant Director, Vehicle Services	Forward the certificate with the application and recommendation to the Director.
Director	Approve or disapprove appointment and return signed documents to the Assistant Administrator, Field Operations.
Assistant Administrator, Field Operations	Send Certificate and copy of signed application to the Agent and request copies of the following:
	<ol style="list-style-type: none"> <li>1. Bond and insurance;</li> <li>2. Contract between Agent and Subagent;</li> <li>3. Bank account information for forwarding to Fiscal to set up for Automated Clearing House (ACH) withdrawals, and copy of signature card(s);</li> <li>4. Information required by Information Services to setup office under CAAP as follows:</li> </ol>

- a. all employee names.
  - b. agency number.
  - c. operator privilege (Clerk, Cashier or Independent) for each employee.
  - d. access class for each employee.
  - e. supervisor name and an alternate for Electronic Mailbox system.
  - f. office environment;
5. Office hours; and
  6. Effective date of opening.

Send SSR to Information Services requesting establishment of office and installation of equipment.

File copies of all documentation for new Subagent in Field Operations' Agent/Subagent file.

Notify Contracts Officer-Titles. Obtain information for Exhibit "A" from Information Services and provide copy to Contracts Officer-Titles.

Information Services

Arrange for the acquisition and installation of automated equipment.

Contracts Officer-Titles

Prepare CAAP Contract and have it signed by all parties prior to equipment installation. Distribute copies to Agent, Subagent, Department Contracts Officer, and Fiscal Office. Retain copy in Field Operations' Agent/Subagent file.

Agent

Provide training of Subagent staff on equipment and procedures.

Fiscal Office

Prepare billing as appropriate. Collect and account for payment(s).

### C. REPLACEMENT SUBAGENTS

#### Responsibility

#### Action

NOTE: A replacement Subagent is one that will be in the same general locality, and serve the same clientele as a previous Subagent.

If the previous Subagent has been "out of business" for more than two months, or was not meeting the established minimum transaction criteria, when considering proximity to other licensing offices, any replacement will be considered a "new" Subagent, and all procedures in Section B must be followed.

In some cases, a replacement subagent may be approved prior to the discontinuance of service by current subagent.

Agent

Request replacement of a Subagency to Vehicle Services prior to soliciting a specific applicant.

Provide historical volume data for subagency being replaced and distance relationship between this subagency and others in the surrounding area.

Assistant Director,  
Vehicle Services

Provide copies of request to Assistant Administrator, Field Operations, and Vehicle Systems Manager.

Assistant Administrator,  
Field Operations

Review request and make recommendation to Assistant Director, Vehicle Services.

Vehicle Systems Manager

Review request and make recommendation to Assistant Director, Vehicle Services.

Assistant Director,  
Vehicle Services

Evaluate request and recommendations, and obtain Director's approval or disapproval. Notify Agent, Assistant Administrator, Field Operations, and Vehicle Systems Manager of decision.

Agent

If approved, advertise in a newspaper of general circulation to solicit applications for a replacement Subagency. Advertisements should include:

1. An Affirmative Action Statement to the effect, "The Department of Licensing is an Equal Opportunity Employer, and encourages women, minorities, aged and handicapped to apply for subagency":
2. A description of the area to be served:
3. Time frame during which applications will be accepted:
4. A statement of where and when application forms and additional information will be available: and
5. Automation costs as specified in approval letter.

Accept and review applications. Interview applicants and inspect proposed locations. Review DOL procedures with the applicant and obtain assurance that, if appointed, the applicant will comply. Send a signed, recommended application to Assistant Administrator, Field Operations.

Include a map of the area showing distance to the nearest licensing office. Also include evidence of compliance with the Department's Affirmative Action policy, i.e. newspaper clipping of announcements.

Assistant Administrator,  
Field Operations

Evaluate application and, whenever possible, interview applicant.

Forward a Certificate of Appointment with the application and recommendation for approval or disapproval to the Assistant Director, Vehicle Services within two weeks of receipt of application.

Assistant Director,  
Vehicle Services

Forward the certificate with the application and recommendation to the Director.

Director

Approve or disapprove appointment and return signed documents to Assistant Administrator, Field Operations.

Assistant Administrator,  
Field Operations

Send Certificate and copy of signed application to the Agent and request copies of the following:

1. Bond and insurance;
2. Contract between Agent and Subagent;
3. Bank account information and copy of signature card(s);
4. Information required by Information Services to setup office under CAAP as follows:
  - a. all employee names,
  - b. agency number,
  - c. operator privilege (Clerk, Cashier or Independent) for each employee,
  - d. access class for each employee,
  - e. supervisor name and alternate for the Electronic Mailbox system.