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DOR Contract Number: K1532

MAY 15 2017

CITY OF MUKILTEO
ADMINISTRATION

BUSINESS LICENSING SERVICES AGREEMENT

I. Parties and Contact Information

This Business Licensing Services Agreement ("Agreement") is entered into between the parties identified below:

	State of Washington Department of DOR Business Licensing Service	City of Mukilteo
	("DOR")	("Partner")
Mailing Address	PO Box 47475 Olympia, WA 98504-7475	11930 Cyrus Way Mukilteo, WA 98275
Delivery Address	6500 Linderson Way, SW, Ste. 102 Tumwater, WA 98501	11930 Cyrus Way Mukilteo, WA 98275
Contact Person	Kaloa Van Horn Phone: (360) 705-6641 E-mail: kaloav@dor.wa.gov	Jennifer Gregerson, Mayor Phone: (425)263-8018 Email: J.Gregerson@mukilteowa.gov

II. Purpose

The purpose of this Agreement is to establish the terms under which the Business Licensing Services (BLS) program of the Department of Revenue will act as Partner's agent for the purpose of collecting, processing, and disbursing information, licenses, and fees related to Partner's licensing or other regulatory activities, hereafter referred to as Confidential Licensing Information. Partner retains all power and authority over its business licensing and other regulatory activities except as expressly delegated to Revenue under this Agreement.

III. Effective Date

This Agreement is effective as of (*check one*): ☐ (mm/dd/yyyy).

☒ the date of the last signature of the parties.

IV. Services Provided by Revenue

Revenue will perform the services identified in this Section IV using best efforts in a manner determined by Revenue in good faith to be appropriate considering objectives, costs, and effectiveness.

- Distribute and process initial and renewal internet and/or paper-based applications for Partner's business licensing and/or other regulatory activities.
- Collect and process license fees and licensing information received from applicants and licensees. Disburse collected fees as directed by Partner.
- Issue Business License with Partner's license endorsement as authorized by Partner.
- Provide routine reports on Partner's business licenses as requested by Partner, which may include daily lists of new business applications and renewals, fees processed each day, weekly list of pending accounts, and lists of businesses for which fees have been transferred.

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- Maintain electronic or microfilm images of all paper documents and electronic representations of electronic filings received by Revenue from applicants and provide copies or certified copies as requested.
- Maintain a database containing information received from applicants and licensees (the BLS Database).
- Provide technical assistance to establish and configure appropriate BLS Database access and secure access for Partner staff.
- Provide initial training to Partner staff in the use of the BLS Database, and ongoing training to address changes to the BLS database/access protocols or in Partner staff. Training will occur at Partner's location, over the telephone, or online, as agreed upon by the parties.
- Effect reasonable modifications in the BLS system, database, process, or forms to accommodate Partner's licensing or other regulatory requirements. Revenue will consult with Partner in evaluating alternatives and determining the most feasible and timely means of achieving Partner objectives.
- Timely notify Partner of other modifications to the BLS system, database, process, or forms, including modifications accommodating other BLS partners.

V. Partner Obligations

- Timely provide Revenue with all information requested to implement Partner's participation in the BLS program.
- Follow all requirements identified by Revenue as necessary for participation in the BLS program, including using :
 - The Business License Application and other forms and processes established by Revenue;
 - The "Business License" document for proof of licensure under Partner's licensing or regulatory program.
 - The Unified Business Identifier (UBI) number to identify licensees and license accounts in all communications with Revenue.
- Obtain and maintain at its own cost, all necessary equipment and online services required at Partner's business location(s) to support Partner's access into and use of the BLS Database. End-to-end testing will take place until such time as Revenue is satisfied.
- Ensure Partner Licensing and Information Technology staff are available to respond promptly to Revenue. Partner staff will be knowledgeable of Partner operations and/or technology and be able to assist Revenue staff with process improvements and/or troubleshooting.
- Provide timely advance notice to Revenue of potential changes to Partner business licensing requirements, fees or processes.
- Upon request by Revenue, provide statistical data associated with the BLS Partner Partnership Agreement such as Full Time Equivalent (FTE) savings, change in number of Partner licensees, and change in revenue flow.

VI. Compensation

Services identified in this Agreement are provided by Revenue at no charge with the exception of the following:

- Partner shall reimburse Revenue the costs of developing and producing ad hoc informational reports. Ad hoc reports will be created only if requested by the Partner and agreed-upon by Revenue.
- Partner shall reimburse Revenue's expenses for the implementation of changes to the BLS process, if requested by the Partner and agreed-upon by Revenue.
- All project coordination costs, including travel-related expenses, shall be absorbed by the respective parties for their own staff.

VII. Billing Procedures

Partner will provide and maintain with Revenue its current billing addresses and the personnel, if any, to whom invoices should be directed. Revenue shall submit invoices to Partner as-needed, but in no event more frequently than monthly. Partner shall pay all invoices by warrant or account transfer within thirty (30) calendar days of the invoice issue date. Upon expiration or termination of this Agreement, any claim for payment not already made shall be submitted within ninety (90) calendar days after the expiration/termination date or the end of the fiscal year, whichever is earlier.

VIII. Confidentiality and Data Sharing

The parties agree to the confidentiality and data sharing provisions set forth in Exhibit A and incorporated herein by this reference.

IX. Term and Termination

This agreement is effective until terminated. Either party may terminate this Agreement upon ninety (90) calendar days' prior written notice to the other party.

X. Disputes

The parties agree to participate in good faith mediation to resolve any disputes that are not otherwise resolved by agreement, prior to any action in court or by arbitration. At any time, either party may initiate formal mediation by providing written request to the other party setting forth a brief description of the dispute and a proposed mediator. If the parties cannot agree upon a mediator within fifteen (15) calendar days after receipt of the written request for mediation, the parties shall use a mediation service that selects the mediator for the parties. Each party shall be responsible for one-half of the mediation fees, if any, and its own costs and attorneys' fees.

XI. Miscellaneous

- A. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Washington. Any action arising out of this Agreement must be commenced in Thurston County, Washington.
- B. **Interpretation.** This Agreement shall be interpreted to the extent possible in a manner consistent with all applicable laws and not strictly for or against either party.
- C. **No Waiver.** The failure of either party to enforce any term in any one or more instance will not be construed as a waiver or otherwise affect any future right to insist upon strict performance of the term. No waiver of any term of this Agreement shall be effective unless made in writing and signed by personnel authorized to bind the party against whom enforcement is sought.
- D. **Assignment and Delegation.** Either party may assign any right or interest, or delegate any duty or obligation, arising under this Agreement upon thirty (30) days written notice to the other party.
- E. **Severability.** If any provision of this Agreement is held invalid by a court of competent jurisdiction, the remaining provisions of this Agreement shall be given effect to the extent consistent with applicable law and the fundamental purpose of this Agreement.
- F. **Survival.** Terms of this Agreement which by their nature would continue beyond termination will survive termination of this Agreement for any reason, including without limitation, Sections 3 through 7 in Exhibit A.
- G. **No third party beneficiaries.** This Agreement is for the benefit of the parties and their successors and may not be enforced by any non-party.
- H. **Amendments.** No amendment to this Agreement is enforceable unless made in writing and signed by personnel authorized to bind the party against whom enforcement is sought.
- I. **Merger and integration.** This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties.
- J. **Changes in law.** The provisions of this Agreement shall be deemed to change in a manner that is consistent with any changes to any directly applicable statutory authority, provided that the change is consistent with the manifest intent of this Agreement and does not conflict with any of its express provisions. Any such change to this Agreement shall be effective on the effective date of the change in authority.

IN WITNESS WHEREOF, this Agreement is executed effective as of the date specified above.

State of Washington
Department of Revenue
Business Licensing Services

Don J. Contris, CEO
- Don J. Contris 5-10-2017
Date

Template approved as to form

On File
Kelly Owings,
Assistant Attorney General for Washington State

Partner

James J. J. J.
- 5.1.17
Date

Approved as to form

Angela
- City Attorney
5-1-17
Date

EXHIBIT A

CONFIDENTIALITY AND DATA SHARING

1. Purpose and Scope

The following provisions establish the terms under which Revenue and Partner will share all data, including Confidential Licensing Information, pursuant to the BLS Agency Partnership Agreement (the "Agreement").

2. Definitions

"Confidential Licensing Information" has the same meaning as "Licensing Information" under RCW 19.02.115(1)(b) and includes, but is not limited to, any information included in the business license applications, renewal applications, and business licenses under the Business Licensing Service program. Confidential Licensing Information is classified as at least Category 3 data under Washington's Standard for Securing Information Technology Assets, OCIO Standard No. 141.10.

3. Confidentiality

Partner and Revenue each agree to keep confidential and secure from unauthorized use, access, or disclosure, all Confidential Licensing Information received under the Agreement.

- A. **Ensuring Security:** Partner and Revenue shall each establish and implement physical, electronic, and managerial policies, procedures, and safeguards to ensure that all Confidential Licensing Information received by it under this Agreement is secure from unauthorized use, access, or disclosure.
- B. **Proof of Security.** Revenue reserves the right to monitor, audit, or investigate Partner's security policies, procedures, and safeguards for Confidential Licensing Information. Partner agrees to provide information or proof of its security policies, procedures, and safeguards as reasonably requested by Revenue.

4. Statutory Prohibition Against Disclosure: Secrecy Affidavit

- A. **Criminal Sanctions.** RCW 19.02.115 prohibits the disclosure of Confidential Licensing Information, except as expressly authorized by RCW 19.02.115. It is a misdemeanor for any person acquiring Confidential Licensing Information under this Agreement to disclose such information in violation of the disclosure limitations stated in RCW 19.02.115. Additionally, if the person is a state officer or employee, the person must forfeit such office or employment and is incapable of holding any public office or employment in Washington for a period of two years thereafter.
- B. Partner will require employees with access to Confidential Licensing Information to sign a copy of the secrecy affidavit attached at Exhibit B.

5. Authorized Use, Access, and Disclosure

- A. **Permitted Uses:** Confidential Licensing Information may be used for official purposes only.
- B. **Permitted Access:** Confidential Licensing Information may be accessed only by Partner's employees and agents that have a bona fide need to access such information in carrying out their official duties.
- C. **Permitted Disclosure:** Confidential Licensing Information received under the Agreement must not be disclosed to non-parties unless the disclosure is:
 - permitted under an express disclosure exception in RCW 19.02.115;
 - ordered under any judicial or administrative proceeding; or

- otherwise expressly authorized by Revenue in writing.
- D. Public Records Requests: In the event that Partner reasonably believes that it must disclose information pursuant to a Public Records Request, and Partner is prohibited from disclosing such information under the terms of this Agreement, Partner must give notice to Revenue of its intention to disclose. The notice shall be provided at least 14 business days in advance of disclosure, the notice shall contain a copy of the public records request, and the notice shall reasonably identify the information that Partner believes is prohibited from disclosure under this Agreement.

6. Breach of Confidentiality

In the event of any use, access, or disclosure of Confidential Licensing Information by Partner or its employees or agents in material violation of the confidentiality terms of this Agreement:

- A. Partner shall notify Revenue in writing as soon as practicable, but no later than three working days, after determining that a violation has occurred.
- B. Revenue may immediately terminate this Agreement and require the certified return or destruction of all records containing Confidential Licensing Information; however, Revenue shall provide Partner with an electronic record containing all information collected for Partner's licensing or other regulatory activities in an electronic medium.

7. Ownership and Retention of Records

Except as otherwise expressly provided in this Agreement, Partner may retain possession of all such records in accordance with Chapter 40.14 RCW and applicable local government retention schedules as approved by the Office of the Secretary of State.

8. Data Security

All data provided by Revenue shall be stored on a secure environment with access limited to the least number of staff needed to complete the purpose of this Agreement.

a. Protection of Data

Partner agrees to store data on one or more of the following media and protect the data as described:

- 1) Workstation Hard disk drives. Data stored on local workstation hard disks. Access to the data will be restricted to authorized users by requiring logon to the local workstation using a unique user ID and complex password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. If the workstation is located in an unsecured physical location the hard drive must be encrypted to protect Revenue data in the event the device is stolen.
- 2) Network server disks. Data stored on hard disks mounted on network servers and made available through shared folders. Access to the data will be restricted to authorized users through the use of access control lists which will grant access only after the authorized user has authenticated to the network using a unique user ID and complex password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism. Backup copies for disaster recovery purposes must be encrypted if recorded to removable media.

- 3) Optical discs (e.g. CDs, DVDs, Blu-Rays) in local workstation optical disc drives. Data provided by Revenue on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a secure area. When not in use for the Agreement purpose, such discs must be locked in a drawer, cabinet or other container to which only authorized users have the key, combination or mechanism required to access the contents of the container. Workstations which access Revenue data on optical discs must be located in an area which is accessible only to authorized individuals, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- 4) Data storage on portable devices or media.
 - a) Confidential Licensing Information may be stored by Partner on portable devices or media provided the data shall be given the following protections:
 - i. Encrypt the data with a key length of at least 128 bits
 - ii. Control access to devices with a unique user ID and password or stronger authentication method such as a physical token or biometrics.
 - iii. Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.
 - iv. Physically protect the portable device(s) and/or media by:
 - Keeping them in locked storage when not in use;
 - Using check-in/check-out procedures when they are shared; and
 - Taking frequent inventories.
 - b) When being transported outside of a secure area, portable devices and media with Confidential Licensing Information must be under the physical control of Partner staff with authorization to access the data.
 - c) Portable devices include, but are not limited to; handhelds/PDAs, Ultramobile PCs, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook computers.
 - d) Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs, Blu-Rays), magnetic media (e.g. floppy disks, tape, Zip or Jaz disks), or flash media (e.g. CompactFlash, SD, MMC).
- 5) Confidential Licensing Information received from Revenue will be encrypted using National Institute of Standards and Technology (NIST) approved cryptographic algorithms or modules when transmitted over the Internet, including information attached to or within email.

b. Safeguards Against Unauthorized Access and Re-disclosure

Partner shall exercise due care to protect all Confidential Licensing Information from unauthorized physical and electronic access. Partner shall establish and implement the following minimum physical, electronic and managerial safeguards for maintaining the confidentiality of information provided by either party pursuant to this Agreement:

- 1) Partner will store the information in an area that is safe from access by unauthorized persons when not in use.

- 2) Partner shall take precautions to ensure that only authorized personnel and agents are given access to on-line files containing confidential or sensitive data.
- 3) Partner shall instruct all individuals with access to the Confidential Licensing Information regarding the confidential nature of the information, the requirements of Use of Data and Safeguards Against Unauthorized Access and Re-Disclosure clauses of this Agreement, and the sanctions specified in federal and state laws against unauthorized disclosure of information covered by this Agreement.

****end*****