

RESOLUTION NO. R-86 -08

A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF PULLMAN AND THE WASHINGTON STATE DEPARTMENT OF LICENSING, FOR THE PURPOSE OF PARTICIPATING IN THE MASTER LICENSE SERVICE.

WHEREAS, the City Council for the city of Pullman has before it an Interlocal Agreement entitled Interlocal Datasharing Agreement between the State of Washington Department of Licensing and the city of Pullman which is attached hereto and marked as Exhibit "A"; and,

WHEREAS, this Council believes it to be in the best interests of the city of Pullman to authorize the execution of said Agreement; now, therefore,

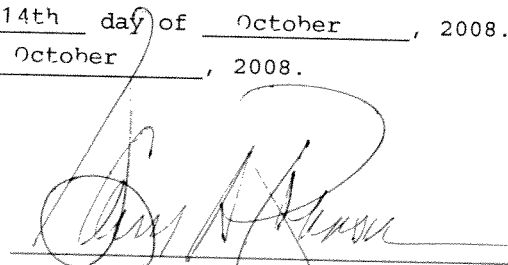
IT IS HEREBY RESOLVED that the Mayor and the Finance Director be and they are hereby authorized and directed to execute all contracts, agreements and documents with DOL necessary to participate in the Master License Service and to deliver an executed copy thereof to the Washington State Department of Licensing Master License Service.

IT IS FURTHER RESOLVED that the Mayor and Finance Director are each hereby authorized and directed to take such further action as may be appropriate in order to effect the purpose of this Resolution and the Agreement authorized thereby.


BE IT FURTHER RESOLVED that an executed copy of said Interlocal Agreement shall be posted on the official Web site of the city of Pullman and shall be effective upon posting.

ADOPTED by the City Council of the City of Pullman at a regular meeting held on the 14th day of October, 2008.

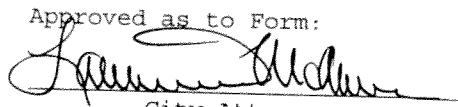
DATED this 15th day of October, 2008.



Mayor

ATTEST:


Finance Director

Approved as to Form:


City Attorney

FILED
OCT 15 2008
CITY CLERK'S OFFICE
PULLMAN, WASHINGTON

INTERLOCAL DATASHARING AGREEMENT
BETWEEN
THE STATE OF WASHINGTON
DEPARTMENT OF LICENSING
AND
THE CITY OF PULLMAN

This Agreement is made and entered into by and between the State of Washington Department of Licensing, hereinafter referred to as "DOL," and the City of Pullman, hereinafter referred to as "the City." DOL and the City enter into this Agreement pursuant to the authority granted by Chapter 39.34 RCW.

PURPOSE

It is the purpose of this Agreement to authorize the DOL Master License Service, (hereinafter referred to as "MLS") to act as the City's agent for business licensing activities, and to ensure that the City retains its full, lawful, regulatory and approval authority over all business licensing activities within its jurisdiction. This Agreement may also be referred to as a "MLS City Partnership Agreement".

THEREFORE, IT IS MUTUALLY AGREED THAT:

DEFINITIONS

As used throughout this Agreement, the following terms shall have the meanings set forth below:

"*Confidential Information*" shall mean information that may be exempt from disclosure to the public or other unauthorized persons under either chapter 42.17 RCW or other state or federal statutes. Confidential Information includes, but is not limited to, Personal Information, agency source code or object code, and agency security data.

"*Partner*" shall mean any city entering into a MLS City Partnership Agreement with DOL.

"*Personal Information*," shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, e-mail addresses, credit card information, law enforcement records, financial identifiers, and other information that may be exempt from disclosure to the public or other unauthorized persons under either RCW 42.56 or other state and federal statutes.

"*RCW*" shall mean the Revised Code of Washington.

"*Subcontractor*" shall mean one not in the employment of a party to this Agreement, who is performing all or part of those services under this Agreement under a separate contract with a party to this Agreement. The terms "*Third Party*" and "*Agents*" in this Agreement includes subcontractors

STATEMENT OF WORK

The parties to this Agreement shall furnish the necessary personnel, equipment, material and/or service(s) and otherwise do all things necessary for or incidental to the exchange of data as set forth in the *Statement of Work, Attachment A* attached hereto and incorporated herein.

PERIOD OF PERFORMANCE

Subject to its other provisions, the period of performance of this Agreement will begin upon final signature hereto and end five (5) years thereafter, unless terminated sooner as provided herein.

COMPENSATION

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

The City agrees to reimburse DOL for any fees charged by financial institutions and/or credit card processors to handle the City's license fees collected by credit card and/or other electronic means, for the internet filing process of the City's licensees.

The City agrees to reimburse DOL the costs of developing and producing ad hoc informational reports if reports are requested by the City and agreed-upon by DOL.

The City shall reimburse DOL expenses for the implementation of changes to the MLS process, if requested by the City and agreed-upon by DOL.

All project coordination costs, including travel-related expenses, shall be absorbed by the respective parties for their own staff.

BILLING PROCEDURES

DOL shall submit any invoices on a quarterly basis to the attention of: **Penni Reavis, Police Support Services Manager at City of Pullman, 325 SE Paradise St., Pullman, WA 99163**. Payment to DOL shall be made by warrant or account transfer by the City within thirty (30) calendar days of receipt of the invoice. Upon expiration of this Agreement, any claim for payment not already made shall be submitted within ninety (90) calendar days after the expiration date or the end of the fiscal year, whichever is earlier.

RECORDS MAINTENANCE

The parties to this Agreement shall each maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the service(s) described herein. These records shall be subject to inspection, review or audit by personnel of each party, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. Unless otherwise agreed, all books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, DOL Internal Auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this Agreement to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

CONFIDENTIALITY AND SAFEGUARDING OF CONFIDENTIAL INFORMATION

The use or disclosure by any party of any information acquired under this Agreement or information concerning another party for any purpose not directly connected with the administration of responsibilities with respect to this Agreement's *Statement of Work*, **Attachment A**, and pursuant to this Agreement's *Data Security Requirements*, **Attachment B**, is prohibited except by prior written consent of the other party or unless disclosure is otherwise required by law. Written consent must be signed by personnel authorized to bind the consenting party, and must be attached to the original Agreement.

The City shall not use or disclose Confidential Information in any manner that would constitute a violation of federal law or applicable provisions of Washington State law. The City agrees to comply with all federal and state laws and regulations, as currently enacted or revised, regarding data security and electronic data interchange of Confidential Information, in addition to *Data Security Requirements*, **Attachment B**. The City shall protect Confidential Information collected, used, or acquired under or in connection with this Agreement against unauthorized use, disclosure, modification or loss. The City shall ensure its employees and agents use the Confidential Information solely for the purposes of accomplishing this Agreement's *Statement of Work*, **Attachment A**.

The City agrees to implement physical, electronic, and managerial policies, procedures, and safeguards to prevent unauthorized access, use, or disclosure of Confidential Information, as detailed in the *Data Security Requirements*, **Attachment B**. The City shall make information available to be amended, as directed by DOL, and shall incorporate any amendments into all the copies maintained by the City.

DOL reserves the right to monitor, audit, or investigate the use of Confidential Information collected, used or acquired by the City through this Agreement, as detailed in the *Data Security Requirements*, **Attachment B**. The monitoring, auditing, or investigating may include, but is not limited to, Salting. "Salting" is the act of introducing data containing unique but false information that can be used later to identify inappropriate disclosure of data.

The City shall notify DOL in writing within one (1) business day of becoming aware of any unauthorized access, use or disclosure of Confidential Information.

Any breach of this clause may result in termination of the Agreement, the suspension of on-line access accounts and the demand for return of all Confidential Information.

INDEPENDENT CAPACITY

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

AGREEMENT ALTERATIONS AND AMENDMENTS

This Agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

MEMORANDUM OF UNDERSTANDING (MOU)

Instructions that either Contract Manager determines to address more than day-to-day concerns, but which do not modify the terms of this contract, shall be documented by a written, numbered *Memorandum of Understanding*.

TERMINATION

Either party may terminate this Agreement upon ninety (90) calendar days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered in accordance with the terms of this Agreement prior to the effective date of termination.

TERMINATION FOR CAUSE

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 business days. If the failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint two additional members to the Dispute Board. The Dispute Board shall review the facts, Agreement terms, and applicable statutes and rules and make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, any of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

GOVERNANCE

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable state and federal statutes and rules;
2. The terms of this Agreement;
3. *Statement of Work*, Attachment A;
4. *Data Security Requirements*, Attachment B; and
5. Any other provisions of the Agreement, including materials incorporated by reference.

ASSIGNMENT

The work to be provided under this Agreement, and any claim arising from it, is not assignable or delegable by any party in whole or in part, without the express prior written consent of the other parties.

WAIVER

A failure by any party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by personnel authorized to bind the party and attached to the original Agreement.

RIGHTS OF INSPECTION

Each party shall provide right of access to the other party, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government at all reasonable times, in order to

monitor and evaluate performance, compliance, and/or quality assurance of internal policies and procedures, and/or records relating to the safeguarding, use, and disclosure of Confidential Information obtained or used as a result of this Agreement. Each party shall make available information necessary for the other party to comply with public's right to access, amend, and receive an accounting of any disclosure of their Confidential Information.

SUBCONTRACTING

With prior written consent, any party may enter into subcontracts for any of the work or services contemplated under this Agreement. Consent shall not be unreasonably withheld. The party issuing the subcontract is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this Agreement are carried forward to any subcontracts.

SEVERABILITY

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

CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be responsible for and shall be the contact person for all communications regarding the performance of this Agreement.

The Contract Manager for the City is:	The Contract Manager for DOL is:
Penni Reavis Police Support Services Manager City of Pullman 325 SE Paradise St. Pullman, Washington 99163 Phone: 509-338-3412 Email: penni.reavis@pullman-wa.gov	Denice Abbott Master License Service Department of Licensing PO Box 9034 Olympia, Washington 98507-9034 Phone: 360-664-0213 Fax: 360-570-7875 Email: dabbot@dol.wa.gov

ALL WRITINGS CONTAINED HEREIN

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 hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement.

City of Pullman

State of Washington
 Department of Licensing

Glenn A. Johnson
 Mayor

Date

Julie Knittle
 Assistant Director

Date

Attest:

Troy Woo
 Finance Director

Approved as to Form

Signature on File - 9/10/2008

Jerald Anderson, AAG

Date

ATTACHMENT A
STATEMENT OF WORK

The City Shall:

Agree to the exclusive use of the "Master Application" and any required addenda for the process of applying for a City business license, and the exclusive use of the "MLS Licenses and Registrations" document for proof of City business licensure. If additional forms are identified as necessary for the processing of City licensee accounts, their design, creation, or collection will be a cooperative effort between DOL and the City.

Agree to the exclusive use of the Unified Business Identifier (UBI) number in conjunction with the physical location identification number used by DOL in the identification of licensees and license accounts in all communications with DOL.

Maintain remote on-line inquiry and update access to the MLS Database.

Accept responsibility for payment of all equipment, connection, access and maintenance charges related to the City's access into and use of the MLS Database.

Accommodate requirements for Master Application forms regardless of whether the transaction involves a City business license.

Ensure the timely availability to DOL of City Licensing and Information Technology staff. Staff will be knowledgeable of City operations and/or technology and be able to assist DOL staff with process improvements and/or troubleshooting.

Use commonly accepted security procedures to ensure that confidential information is not improperly disclosed. All City staff with access to confidential information will follow these security procedures and adhere to the confidentiality requirements of this Agreement, as detailed in **Attachment B, Data Security Requirements**.

Provide to DOL an annual report of the City's compliance with DOL Data Security Requirements as detailed in **Attachment B, Data Security Requirements**.

Provide copies of the City's Information Technology Security Policies and Procedures, upon request by DOL, as detailed in **Attachment B, Data Security Requirements**.

Provide advance notice to DOL of potential changes to City business licensing requirements, fees or processes to allow DOL the timely implementation of changes into any electronic or automated systems or procedures related to the administration of City's business licensing.

Upon request by DOL, provide statistical data associated with the MLS City Partnership Agreement such as Full Time Equivalent (FTE) savings, change in number of City licensees, and change in revenue flow.

DOL Shall:

Create, produce, issue, accept, and process new and renewal applications for City business licenses. In doing so, DOL will collect, process and disburse the respective City business license fees and licensing information received from applicants and licensees.

Issue licensing documents (Master Licenses) for City business licensees.

Maintain and update the MLS Database to the best of its ability. DOL shall not be responsible for system down time or other delays to the receipt of information or errors in the compilation of such information.

Provide informational reports to the City of the City's business licensees. City staff will determine which reports best suit their needs and the frequency that reports are required. Reports may include but are not limited to: 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.

Provide services through Internet-based or paper-based licensing processes, depending on the needs of the City and the capability of DOL.

Design and implement modifications to the MLS Database and establish any related procedures and forms.

Provide technical assistance in establishing and configuring appropriate MLS Database access and ensuring security of access for City staff.

Provide training to City staff in the use of the MLS Database upon execution of Agreement. Provide ongoing training to accommodate system or staff changes. Training will be provided onsite at City location or via internet/telephone, as agreed between both parties.

Notify the City of any changes anticipated to MLS processes or services as they become known, and mitigate the impacts that such changes may have upon the services provided.

Prepare any required computer system change request in coordination with the City, and place the request in a prioritized work queue for timely completion. DOL staff will be mindful of potential impacts to DOL and City Partners as a result of any proposed changes to the MLS process. DOL will assist City Partners in considering possible alternatives and determining the most feasible means of achieving the objective of a proposed change. DOL will review the proposed change with all City Partners potentially impacted and will attempt to reach consensus among all affected parties.

Microfilm or electronically image all paper documents submitted and maintain electronic representations of all filings completed via the Internet. DOL shall not maintain paper copies. The City will have access to information filed with DOL on paper or via the Internet through electronic access to the MLS Database. If the City requires a paper document, DOL will produce a copy from microfilm or electronic record. The copy will be certified, if required by the City.

ATTACHMENT B DATA SECURITY REQUIREMENTS

All technical and managerial practices detailed in this Agreement shall include the following data security controls, which shall apply to DOL data wherever it is located. Any DOL data transferred or made accessible to a Third Party requires prior written approval from DOL. All controls provided herein shall apply to Third Parties.

- Data Classification – Data provided by DOL is “Confidential” and the City must apply proper security policies and protection based on this rating to protect this data no matter where it is located: Flowing over a network, stored on hard drives, backup tape, or printed copies.
- Identification – On-line application access to DOL data will be identified by individual name. Data accessed through host to host transfers will be identified by service account or certificate, and if possible, IP address.
- Authentication – Access to DOL data through an application will be authenticated with individual accounts, and the password policy will enforce hardened passwords, and changed at least every 90 days. Batch data transfers of DOL data: “e.g.” host to host, must authenticate with a secure account.
- Authorization – Access to DOL data must be granted using least-privilege access controls – that is, insuring that only individuals who are authorized to access DOL data based upon a business requirement will be granted that access, and authorization controls will prevent all others from accessing DOL data.
- Physical Security – All City Information Technology assets that house or process DOL data will be physically secured from unauthorized access and physical access must be tightly controlled.
- Audit Logs – All access of DOL data, no matter where it exists, will be logged, with the following: name of individual accessing DOL data, date/time of access, record key being accessed, and reason for access. These logs will be maintained as long as the data is accessible, and then for three (3) years after DOL data is deleted. Audit logs should be reviewed regularly for suspicious activity.
- Limited Retention of Data – After DOL data is received, and used for the purpose stated in this contract, it must be deleted within thirty (30) days, unless longer retention is required by City, State or Federal law.
- Protection from Attack – Adequate measures such as IPS and IDS devices, and system log monitoring will be employed to insure that unauthorized users cannot successfully attack City Information Technology assets in a manner that allows DOL data to be compromised.
- Periodic Vulnerability Scanning and Penetration Testing – City Information Technology hosts and networks that hold or process DOL data will be periodically scanned for known vulnerabilities to see if vulnerabilities could be exploited.
- Regular Self Audits – Internal and independent audits to review DOL data protection and access should be conducted regularly. These audits will be at the City’s expense, and with DOL as the client.
- DOL Audits - DOL reserves the right, either through internal operations or a contractor, to audit and test compliance with the terms and conditions of this Agreement. This will require unobstructed access to employee databases and records in cooperation with the City and any Third Party Human Resources staff.
- Process to Apply Vendor Security Patches – City will have a formal procedure in place to install vendor-recommended security patches in a timely manner for all Information Technology assets, hosts and networks that process DOL data.

- Data Transmission over Unsecure Networks – Any DOL data transmitted over a shared network, such as the Internet, must be encrypted with at minimum 128-bit technology to protect against unauthorized access to data.
- Confidentiality and Security Awareness – The City will provide annual security training to educate their employees on best security practices, and have a Confidentiality Agreement signed by each individual who accesses DOL data.
- Off-Site DOL Data – All Data Security Requirements herein will apply to DOL data where ever it is stored. Best industry practices require business data to be backed up and stored off-site. If stored in a third-party facility, DOL data must be stored in an encrypted format for data protection.
- City IT Security Policies and Procedures – If requested by DOL, the City will provide an electronic copy of its IT security policies and procedures. This information will be treated as highly confidential by DOL, with very restricted access limited to the DOL data owner, internal audit staff, Chief Information Officer and IT Security Officer.
- Computer Incident Response – The City will have a Computer Incident Policy and Procedure program in place. If the City experiences a Computer Incident, DOL shall be notified within one (1) business day.
- Annual Report of Data Security Compliance – In lieu of a yearly audit by DOL, a report shall be provided to the DOL Contract Manager by September 1st of each year providing a detailed review of the City's protection of DOL data covering each requirement above. This report will be treated as highly confidential by DOL, with very restricted access limited to the DOL data owner, internal audit staff, Chief Information Officer and IT Security Officer.



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
Master License Services, PO Box 9034, Olympia, WA 98507

October 27, 2008

TO: Penni Reavis, Contract Manager
City of Pullman

FROM: Maria Moore, Contract Manager
Department of Licensing (DOL)

SUBJECT: **MEMORANDUM OF UNDERSTANDING NO. 1**
To DOL Contract No. K974

This numbered Memorandum (Memo) of Understanding documents administrative changes to the contract. The Contract Manager for DOL is now:

Maria Moore
(360) 664-1419
mmoore@dol.wa.gov

The changes outlined in this Memo do not significantly change the scope or intent of the work, nor do they increase the maximum amount payable under the contract.

Please retain one original for your files.

Department of Licensing

Maria Moore 10/27/08

Maria Moore Date
Contract Manager

MM:rp