

THE CITY OF HAMMOND AND AUTO TITLE SERVICE, LLC

AGREEMENT FOR PUBLIC LICENSE TAG AGENT / AUTO TITLE COMPANY

This Agreement is made and entered into on this \_\_\_\_\_ day of July 2015, by and between The City of Hammond, represented herein by its duly authorized Mayor, Pete Panepinto (“The City”), and Auto Title Service, LLC (ATS) a Louisiana limited liability company and public license tag agent and auto title company, represented herein by its duly authorized member.

WHEREAS, the Department of Public Safety & Corrections, Public Safety Services, through the Undersecretary (“The Department”) has contracted with the City of Hammond (“the City”) pursuant to La. R.S. 47:532.1 and La. R.S. 32:735, et seq. as a public license tag agent and auto title company (the “Prime Contract”) to make driver’s license reinstatement and renewals, vehicle title services, vehicle registration services, and any other vehicle service available directly the public, without requiring members of the public to visit a full-service branch office of the Office of Motor Vehicles (hereinafter referred to as “OMV”), and,

WHEREAS, the City wishes to contract with Auto Title Service, LLC (ATS) a currently operating public license tag agent and auto title company (“PTA/TC”) to perform the services of receiving applications for renewing registration of motor vehicles, issuing replacement plates for motor vehicles already registered, providing temporary license plates and/or decals, titles, and the collection of fees, taxes, penalties and other monies in connection therewith, the renewal and reinstatement of driver’s licenses, any other title transactions allowed by the Department, and for the purposes incident to the duties of such public tag agents and auto title companies.

WHEREAS, ATS will adhere to specific rules and regulations promulgated by and / or enforced by the Department as a subcontractor of the City; and ATS and the City wish to set forth the parameters of such agreement. The City hereby contracts with ATS subject to the following terms, conditions and limitations:

1. THE TERM of this contract shall be for the period beginning on the 1<sup>st</sup> day of July 2015, and continue as long as the Prime Contract or any extension thereof or any agreement between the City and any governmental agency which governs DMV services is in effect. Any termination of this Agreement shall be governed by the provisions herein including the Lease Transfer provisions of Paragraph 23.
2. ATS agrees to act as a contracted PTA/TC and to maintain a primary public license tag office (the “office”) at the location currently being operated as a Department of Motor Vehicles office (DMV) located in the Times Square Shopping Center, located at 1320 North Morrison Boulevard, Suites 110-114, Hammond, Louisiana, 70401, (“the Premises”) pursuant to a lease currently in effect (“the Lease”) between the City and the owner of the Premises. The City shall

take all necessary actions to keep the Lease in full force and effect throughout the terms of this Agreement.

3. La. R.S. 47:532.1 authorizes ATS as a PTA/TC to collect a convenience fee (“the Fee”) in addition to the registration license tax and other applicable fees. The Fee shall not exceed eighteen dollars (\$18.00). Three dollars (\$3.00) of the Fee shall be maintained in a fund controlled by the City for the maintenance of the Premises and the office (“the Fund”), and the remainder of the fee shall be retained solely by ATS. ATS shall disclose to the customer the charge or assessment of the convenience fee prior to initiating any transaction. Additionally, ATS shall post in a conspicuous manner in its office a disclosure of the convenience fee. The three dollar (\$3.00) fund Fee shall be administered pursuant to the following guidelines:

A. The Fee may be charged on all transactions with the exception of registration renewals and with the exception of any transaction which the Department deems as a no charge transaction; and

B. If the Department provides a Department or a City employee to perform any services that ATS cannot perform and no Fee is permitted to be charged by ATS, ATS shall not be responsible for contributing any amount to the Fund for such transaction(s). If the City wishes to obtain payment for the Fund for these transactions, the City shall contract directly with the Department regarding such payment(s).

4. The Fund shall be maintained by the City as follows:

A. The Fund shall pay all rents, utilities and other costs due pursuant to the Lease;

B. All surplus, including current fund amounts remaining in the Fund shall be utilized to maintain an efficient and effective office and be used to further the objectives herein. Such costs may include equipment costs, renovation costs, maintenance costs, and any other office management costs. Payment for such costs shall be at the discretion of the City upon recommendations of ATS.

5. ATS shall cooperate with The City and/or the Department to establish electronic interface capability which will enable ATS to receive and transmit electronic information concerning the registration of motor vehicles to enable ATS to process files at the Premises, and to enable ATS to renew and reinstate driver’s licenses and to issue license plates to vehicles already registered with the Department in accordance with La. R.S. 47:461, et seq., and other applicable laws. The equipment and procedures used by ATS shall meet the standards of compatibility established by The Department, through the Data Center and shall be upgraded, modified, or replaced as required. ATS shall comply with Department policies regarding security and protection of individual

personal information. The City shall provide ATS with all necessary materials to comply with Department policies.

6. ATS shall designate at least one full-time employee as an authorized user of The Department approved electronic network, and shall limit access to said network to only those employees who have been so designated by ATS and approved by The Department. ATS is expressly prohibited from further granting access to The Department approved network to anyone not authorized as a user by The Department, whether by subcontract, or otherwise. All ATS employees who are authorized users shall submit to the same background check as Department employees.

7. ATS shall designate at least one full-time employee as the person authorized to receive documentation and funds from persons regarding the application for the issuance of motor vehicle titles and/or registrations and the issuance of temporary license plates.

8. ATS will be allowed to use the premises as a public tag agent, auto title company services, notarial and legal services, and any other legal business purpose to serve the public, so long as such uses are allowed by the Lease.

9. The Department may establish reasonable operating standards, administrative rules, policies and procedures, which shall be applicable to ATS, its agents and employees in conducting business as a PTA/TC. ATS agrees to abide by such standards. The operating standards, administrative rules, policies and procedures will be detailed in the policy/procedure statements established by The Department through OMV and the DPS&C Network Connectivity Policy for Licensed Agents established by the Director of the Data Center for Public Safety Services of The Department of Public Safety & Corrections. These standards, administrative rules, policies and procedures, as well as all applicable laws, are hereby considered to be a part of this contract as they exist at the time of execution of the contract, and as may be amended during the term of this contract, upon notification to ATS by The Department or the City, and ATS hereby agrees that it and its agents and employees are bound by and will abide by them.

10. ATS specifically agrees to institute controls:

- To secure storage of all unissued temporary license plates and corresponding receipt books at the Premises
- To secure storage of all receipt books for issued temporary license plates for a period of not less than five years from the date of the issuance of the last temporary license plate noted in the receipt book at the premises;

- To segregate all of ATC's other business records from the records and documents received in connection with the application for the issuance of a motor vehicle title, registration, or temporary license plate;
- To have controls for the secure, safe and proper handling of state, parish or municipal funds received by ATC in connection with the application for the issuance of a motor vehicle title, registration, and/or temporary license plate;
- To attend, and to have all of its authorized users of The Department approved electronic network attend training workshops provided for PTA/TCs by The Department;
- To timely deliver all monies collected by and as PTA/TC to The Department through OMV via Electronic Funds Transfers, or as otherwise specifically authorized by the Undersecretary, and deliver all necessary documents related to acting as a PTA/TC in accordance with OMV policies, procedures, rules, regulations, and standards as they currently exist or as amended during the term of this contract;
- To issue license plates, renewed driver's licenses and identification cards, decals, or any other OMV related materials to customers only in accordance with applicable laws, OMV policies and procedures, rules and regulations as promulgated;
- To submit reports, including daily activity reports, inventories of temporary license plates, license plates, and decals, and such other reports as may be required by The Department, and in all other respects to comply with the laws of the State of Louisiana;
- To receive, securely store, issue, for, and be fully responsible for license plates, decals, driver's license and identification card supplies and other equipment or items of value as may be entrusted to PTA/TC by The Department. Such items shall be secured in the manner approved by the Department in writing
- ATS shall pay any collected three dollar (3.00) payments to the City on a monthly basis with payment being due on the 30th of the following month.

11. Except for Fees described in Paragraph 3 hereinabove, funds received by ATS on behalf of The Department, shall not be commingled with other funds.

12. The City, through its designated representatives, during normal working hours of The City, and at other times while ATS is actually open and conducting business, shall have the right to inspect, copy, and audit any and all records and reports that ATS maintains in connection with acting as a PTA/TC, in whatever form it is created or stored, including but not limited to electronic, digital, computerized, paper, or otherwise. ATS shall maintain records it receives and creates

during the term of this contract for one (1) year after expiration or termination of this contract. Likewise, the Legislative Auditor or his designees, and the Secretary of the Department of Revenue or his designees, shall have the right to inspect, copy and audit the records of ATS created and/or maintained in connection with this contract.

13. ATS shall safeguard the electronic equipment which provides access to The Department approved electronic network and limit access to said equipment and to the data and information from OMV files which are available through said equipment to only those persons who have been properly trained and instructed in the duties and responsibilities of an authorized user, and have been approved by The Department as an authorized user.

14. ATS shall implement procedures to ensure that any other printed copy of a vehicle record or of a driver's license record obtained shall be destroyed when its legitimate use is complete.

15. ATS shall comply with all laws relating to privacy, including but not limited to the Federal Driver Privacy Protection Act, 18 U.S.C. §2721 et seq., and 42 U.S.C. §405(c) (2) (C). Furthermore, ATS shall only disclose personal information it acquires pursuant to this contract to businesses with which it has a contractual relationship in its official capacity as a PTA/TC and, as is required by the Federal Driver Privacy Protection Act, those businesses seeking the information shall have obtained the express consent of the individual whose information is sought. All other requests for personal information from The Department's records, including but not limited to title, registration, driver's license, and identification card records, shall be forwarded to The Department to be addressed by the custodian of the records as required in the public records law, R.S. 44.1 et seq., and other applicable laws.

16. ATS shall be responsible for collected funds received from members of the public, related to transactions processed by ATS or its employees

17. ATS acknowledges that all documents or records, no matter in what form, it receives or generates in connection with processing any transaction or inquiry authorized under this Agreement, are the property of the Department, and shall be surrendered or returned to the Department upon the termination of this agreement, in connection with any audit investigation or review conducted pursuant to, or as a result of this agreement, or at any other time when requested by the Department.

18. ATS shall not display any sign, logo, business name, or trade name, or cause to be advertised any sign, logo, business name, or trade name which includes the words "office of motor vehicles," "motor vehicle office" or "motor vehicles office," or any similar phrases, unless the sign, logo, business name, trade name, or advertisement clearly and prominently includes a statement indicating the business' status as a PTA/TC or in the same size print. If the

Commissioner of the Office of Motor Vehicles determines that any such sign or logo violates this term of the contract, ATS shall, within 30 calendar days of notification from the Commissioner, permanently remove or revise the offending sign or logo to the Commissioner's satisfaction.

19. ATS may advertise services as such, but restraint and good taste shall be used when making reference or remarks about The Department, the Office of Motor Vehicles, and/or its employees or services. Should clarification of subject matter be desired prior to publication or broadcast, advertisement content may be submitted to The Department through the Office of Motor Vehicles for review and comment.

20. Non-Compete: The City agrees that it will not act as a PTA/TC or contract with any other business to act as a PTA/TC at the Premises or at any other location in the City of Hammond, Louisiana, or in any location which will compete with ATS during the term of this Agreement.

21. ATS agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990. PTA/TC agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national ATS, veteran status, political affiliation, or disabilities. Any act of discrimination committed by PTA/TC, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

22. ATS shall not assign this contract without prior written consent of the City. The City shall not assign this contract without prior written consent of ATS.

23. If the City determines that it will cease to contract with the Department as a PTA/TC and / or it will cease providing Motor Vehicle services to the public, the City will provide ATS with one hundred eighty (180) days' notice and the City will assign the Lease to ATS, subject to approval by the landlord under the Lease. The City will take all necessary steps to facilitate ATS in obtaining a contract with the Department to provide PTA/TC services at the Premises or at a different location of ATS's choosing.

24. ATS shall have all decision making and day to day operational responsibilities regarding the operations of the office. Such responsibilities shall include staff management, hiring, firing, salaries, and all other day to day decisions. The City shall have no supervisory authority of the

office or employees of ATS. In no event shall employees of ATS be considered employees of the City

25. ATS will maintain all proper bonds required by the public tag agent and auto title agreements as contracted with the Department.

26. This Agreement is conditioned upon ATS maintain its public tag agent and auto title company status with the Department.

27. ATS agrees to give written notice to the City of the need for any maintenance to the Premises required to be made by the City under the Lease.

28. ATS agrees to hold the City harmless and indemnify it against all claims, judgments and demands of any person or persons whomsoever on account of any injuries or accidents, including loss of life, arising out of (a) ATS's occupancy of the Premises and not caused in whole or in part by the City's acts or omissions; or (b) the breach of any obligation of ATS under the Lease.

29. During the entire term of this Agreement ATS shall keep in full force and effect a policy of liability insurance which shall include bodily injury, property damage, and personal injury liability insurance with respect to the Premises and the office operated by ATS in which the limits of liability shall not be less than \$500,000.00 combined single limit coverage for bodily injury and/or death, liability and property damage liability. ATS shall also keep in force fire, casualty and extended coverage insurance for the full replacement value of Tenant's improvements and Tenant's property, which insurance shall include coverage for the City's obligations for repair, maintenance and replacement of the Premises under the Lease. The City shall be designed as an additional named insured with respect to the insurance. Each insurance company and the terms of each policy shall be subject to approval by the City. Each insurance company must agree to give notice to the City, by notifying the City at least (30) days in advance of any cancellation or any change in coverage.

IN WITNESS WHEREOF, the said parties have hereunto set their hands the day and year first written above.

The City of Hammond

By: \_\_\_\_\_

Auto Title Services, LLC

By: \_\_\_\_\_