MEMORANDUM

TO: All Authorized Third Party (ATP) Providers

FROM: ROBERT J. SMITH
Program Manager, Title and Registration, Driver License Partnership

DATE: December 23, 2013

SUBJECT: Driver License Authorization Interest Packet

Title and Registration, Driver License Partnership (TRDLP) is accepting Driver License Authorization Interest Packets from applicants who wish to provide third party driver license services. Law 2013, Chapter 129 (HB2183) describes expansion opportunities in detail and can be viewed at the following link: http://www.azdot.gov/mvd/professional-services/authorized-third-party-services/hb-2183.

The following information is required to apply to become an Authorized Third Party Driver License Provider:

1. A completed Third Party Authorization Interest form # 96-0151, which can be viewed at the following link: http://www.azdot.gov/docs/mvd-forms-pubs/96-0151. For Service Type check "Driver License Processing." Form #96-0151 must be completed for each office applying. Each office will be evaluated separately.

2. A Pre-Approval Surety Bond application, which must be completed and signed by the Surety Company stating the applicant qualifies for the surety bond requirement. Statute does not allow any exemptions from the surety bond requirements.

3. A marketing plan for Driver License Services per office

4. A description of the funding source for the start-up costs listed in the Fact Sheet

5. An office space floor plan

6. A completed Checklist

TRDLP will be accepting interest applications in the following manner:

Prospective Pilot Offices
On the Checklist form, check the box "I am interested in being a pilot site." Sites interested in being a pilot, but not selected will automatically be placed on the non-pilot list. All required documents listed above must be received by TRDLP no later than 5 pm MST, Monday, January 13, 2014 either by scanning and e-mailing the documents to TPPC@azdot.gov or mailing originals to TRDLP, 1801 W. Jefferson St., Phoenix, AZ 85007, Mail Drop 532M.
Non-Pilot Offices
On the Checklist form, check the box "I am not interested in being a pilot site." All required documents listed above must be received by TRDLP no later than 5 pm MST, Friday, January 31, 2014 either by scanning and e-mailing the documents to TPPC@azdot.gov or mailing originals to TRDLP, 1801 W. Jefferson St., Phoenix, AZ 85007, Mail Drop 532M.

Application Review
The Division will review and evaluate all applications submitted by the required deadlines to determine if the applicant meets all Division and Statutory requirements to become an ATP Driver License Provider. Qualified pilot sites will be evaluated using the Division’s pilot evaluation criteria, which is based on objective factors designed to provide the best test for a successful implementation process. Pilot applicants will be notified of the final outcome on February 10, 2014. The rollout prioritization schedule for non-pilot sites will also use an objective prioritization selection criteria. Both evaluation criterions are currently under development. The roll-out schedule for the non-pilot sites will be communicated by mid-May, 2014.

Applicants should also familiarize themselves with all of the Division’s DL-related policies. Policies may be viewed through the POLARIS homepage using the ADOT Intranet, which can be viewed at the following link: http://spweb/intranet/mvd/mvdpoliciesandprocedures/mvdpoliciesprocedures.htm.

If you have any questions, please email TPPC@azdot.gov.

We thank you for your continued support.

Charles Villanti
for Robert J. Smith
Authorized Third Party Driver License Provider Fact Sheet

Statutory Requirements:
- An ATP Driver License Provider must perform:
  - Driver License Skills and Written Testing
  - All non-CDL Driver License transactions
- Surety Bond-$300,000; $100,000 for each additional office not already covered by a $100,000 surety bond.
- Has been an ATP Provider for at least the immediately preceding three (3) years
- Retention transactions-average of 1,000 per month for calendar year (2013)
- In Good Standing with the Division
- Facility plan for location with adequate space, and necessary equipment
- A driver license processor certified in Fraud Document Recognition, Ignition Interlock requirements, Driver license reinstatements and road skills testing must be onsite during DL hours of operation

Pilot Schedule
Four pilot sites: two metro (Phoenix and/or Tucson), two rural. Upon successful completion, pilot sites will remain ATP Driver License Providers.
- Site one: 4/28/14
- Site two: 5/2/14
- Site three: 5/26/14
- Site four: 6/9/14

Non-pilot Rollout
- Full rollout tentatively scheduled to start 8/11/14 dependent on pilot results
- Two sites per month depending on site readiness and department capacity

Training/Support
- 5 weeks classroom DL processing training in Phoenix
- 3 days classroom FDR (Fraudulent Document Recognition) training in Phoenix
- 1 to 1 ½ weeks of On-The-Job (OJT) training at the nearest qualified MVD facility
  - Side-by-side transactions training
  - Driver’s skills testing training
- 1 week on-site support at implementation (weekdays) – travel and lodging to be paid for by ATP
- Phone support afterwards. Limited support after 5 pm, weekends, and state holidays

Estimated costs
- Camera mast and signature pad: $6,500 to $7,500 – at least one per site (note: because the new cameras will not be ready for the pilot, pilot sites will receive loaner existing camera equipment)
- Eye test machine: $2,000 – at least one per site
Authorized Third Party Driver License Provider Fact Sheet

- Training: $750 per student payable upon registration
- PC equipment (PC, security cabinet): $3,000 to $4,000 – per camera mast
- Barcode reader: $375 to $400 - barcode reader is per processor and it is optional
- Online knowledge test system: $15,000 per unit – number of units is dependent on customer volume (Pilot sites will use hard copy written tests.)

Facilities requirements
- Office plan that shows adequate space and equipment necessary to perform the DL functions
- Dedicated Parking test space:
  - Parallel: 8' by 27' or
  - 3 Point: 72' by 56'

Arizona Department of Administration (ADOA) Insurance requirements
Required by all ATPs upon contract renewal and for ATP DL Providers at time of addendum authorization. Insurance ADOA requirements are:
- Commercial General Liability
  - General Aggregate $2,000,000
  - Products – Completed Operations Aggregate $1,000,000
  - Personal and Advertising Injury $1,000,000
  - Blanket Contractual Liability – Written and Oral $1,000,000
  - Damage to Rented Premises $ 50,000
  - Each Occurrence $1,000,000
- Automobile Liability (Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles)
  - Combined Single Limit (CSL) $1,000,000
- Worker’s Compensation and Employer’s Liability
- Worker’s Compensation
- Employer’s Liability
  - Each Accident $500,000
  - Disease – Each Employee $500,000
  - Disease – Policy Limit $1,000,000
- Technology/Network Errors and Omissions Insurance
  - Each Claim $1,000,000
  - Annual Aggregate $2,000,000

Current Timeline
- Interest solicitation packet sent out: 12/23/13
- Stakeholders meeting: 1/8/14
- Pilot interest submission deadline: 1/13/14
- Non-pilot interest submission deadline: 1/31/14
- Notify pilot sites: 2/10/14
Authorized Third Party Driver License Provider Fact Sheet

- First training class for pilot offices:
  - FDR: 2/18/14 or 2/25/14 (3-day course). Limit of two students per pilot site.
  - DL processor training: 3/10/14 (5 weeks). Limit of two students per pilot site.
  - OJT: TBD, dependent on pilots sites selected
- All MVD and ATP DL Provider sites offices convert to Central Credential Issuance and new camera equipment becomes available: 6/14/14
- Roll out of non-pilot ATP sites starts: 8/11/14 (dependent on pilot results)
Authorized Third Party Driver License Checklist

The Division is required to determine that each applicant meets the requirements of Law 2013 Chapter 129 (HB2183) and the given criteria set forth by the Division for driver license expansion.

Company Name:  
Office Number:  
Date:  

☐ I am interested in being a pilot site  
☐ I am not interested in being a pilot site

Please check the following boxes as they are fulfilled:

☐ Proof of a pre-approval Surety Bond requirements ($300,000/$100,000)

☐ The company has been an ATP provider for at least the immediately preceding three (3) years

☐ The company has conducted an average of at least 1,000 retention transactions per month for the previous calendar year (2013)

☐ The company is in good standing with the Division

☐ Existence of a facility plan for each location that shows adequate space and meets equipment requirements for DL processing and to perform DL skills/written testing

☐ Strategic marketing plan included with application packet

☐ Funding plan for facility, equipment, and training included with application packet

☐ The applicant will be able to meet the requirement that, during business hours, there is at least one certified processor qualified to perform all of the following at each location:
  - Fraudulent Documentation Recognition
  - Ignition Interlock Requirements
  - DL reinstatements
  - DL skills testing

☐ Is prepared to enroll one to two processors in the required training listed in the Fact Sheet

☐ Can establish two Division-approved skills test routes

Dedicated Parking Test Space exists for either:
  ☐ Parallel parking 8' x 27' rectangular area and/or
  ☐ Three point turn 72' x 56' rectangular area

☐ ADOA additional insurance requirements can be met

☐ Menu board will be modified to include MVD driver license related services upon authorization and submitted to TRDLP for review
Title and Registration, Driver License Partnership
Surety Bond Pre-Approval for Driver License Expansion

The following Authorized Third Party Provider:

Applicant Name(s):

Has submitted all necessary documents and met all criteria required by:

Surety Company Name:

Necessary for pre-approval of a $300,000 Motor Vehicle Division-Third Party Bond.

This pre-approval is valid for: [ ] 30 days [ ] 60 days [ ] 90 days from:

Date

Comments:

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Surety Agent Signature        Date