WASHINGTON STATE DEPARTMENT OF LICENSING



EXECUTIVE SUMMARY

In response to license plate production delays related to the COVID-19 pandemic, the 2022 Legislature directed the Department of Licensing to conduct a review of current license plate inventory practices and to recommend potential changes to guard against future production delays. The Department of Licensing collaborated with production partners with the Department of Corrections and Correctional Industries to fulfill this request.

The license plate production and distribution system is a carefully coordinated partnership between the Department of Licensing, Correctional Industries, County Auditors, and vehicle licensing subagents. The Department of Licensing acts as an intermediary in this system by maintaining plate inventories and securing new orders of plates from Correctional Industries when needed by offices.

Staff from the Department of Licensing developed the following recommendations to safeguard Washington's license plate supply:

- 1. Enhance the Driver and Vehicle System (DRIVES), the Department's operating system, to allow for higher-quality reporting and forecasting.
- 2. Standardize plate ordering practices by eliminating a current pilot program allowing for the direct shipment of plates to some vehicle licensing offices.
- 3. Support continued investment in plate production equipment used by Correctional Industries.
- 4. Take no action to increase the state's usage of digital plates in lieu of standard embossed plates.
- 5. Adopt additional crisis management tactics to facilitate earlier intervention in a potential shortage scenario.

In addition to the recommendations outlined above, this report provides background information on the plate production and distribution system, considers potential suggestions for improving the efficiency of everyday operations, and proposes a set of crisis mitigation tactics.

INTRODUCTION AND OVERVIEW

<u>Engrossed Substitute Senate Bill 5689</u>, Section 208(15) adopted during the 2022 Legislative Session directed the Department of Licensing (DOL) to complete a report "detailing license plate inventory practices and whether those practices should be changed to guard against potential future plate production delays." This report is due to the Governor and Transportation Committees of the Legislature by December 1, 2022.

This directive from the Legislature comes in response to recent license plate production delays and shortages related to the COVID-19 pandemic. Economic impacts from the COVID-19 pandemic were felt throughout Washington State, and license plate production was no exception. The pandemic directly impacted the labor pool and material supply chains for plate production, causing an initial set of production backlogs. In addition to pandemic-related staffing and supply chain disruptions, equipment breakages and repair timelines also compounded the challenges facing DOL's license plate production partners and worsened the backlog.

After more than two years of pandemic circumstances, plate production has begun to renormalize. The Legislative directive to analyze and report on current practices and potential improvements to the plate production system is therefore very timely.

In fulfillment of this task, DOL has collaborated with the Department of Corrections (DOC) and Correctional Industries (CI) to provide background information on current practices, potential suggestions for improving

the efficiency of everyday operations, and a proposed crisis management playbook to mitigate the risk of future license plate production shortages. After detailing a variety of potential strategies and production improvements, this report will offer final recommendations to lawmakers regarding Washington's plate production system.

BACKGROUND AND CURRENT PRACTICES

License Plate Use, Specification, and Types

Washington law requires vehicles operated in the state to display license plates for vehicle identification purposes¹. Vehicle owners receive license plates when they register a vehicle in the state. These license plates are issued by the Department of Licensing (DOL), County Auditors (Agents), or subagents appointed by the director. License plates are produced by inmates and staff working with Correctional Industries (CI) and the Department of Corrections (DOC).

Standard plates in Washington are 12 inches by 6 inches and made from aluminum. The aluminum used in plate production must meet specifications for strength, thickness, and general condition. Each plate has a reflective sheeting applied during the production process, creating a weather resistant, smooth, flat outer surface. The reflective sheeting also provides an anti-counterfeiting measure. The format for a plate's configuration, or the unique identifying sequence on the plate, varies based on plate type and the use of the plate. For example, the standard configuration for a passenger plate is formatted as ABC1234.

While all license plates serve the purpose of identifying vehicles, there are different types of license plates with varying specifications and intended uses. At a high level, these plate types can be sorted into two groupings: (a) standard plates, which feature embossed or raised characters, and (b) digital plates, which are printed rather than stamped and do not have embossed characters. Specialty license plates, like collegiate, military, or other special interest plates, are digital. Personalized license plates, sometimes called "vanity plates," are also digital. The table below shows each plate type classified as standard or digital.

Standard (Embossed) Plates	Digital (Flat) Plates
Passenger	Specialty
Truck	Personalized
Trailer	Dept. of Transportation
Motorcycle	Washington State Patrol
Motorcycle trailer	Vehicle Dealer and Vehicle Manufacturer
Assorted exempt plates	Apportioned (IRP) Vehicle
	Hulk Hauler and Scrap Processor
	Wrecking Yard

See **Appendix B** for additional information on plate types.

Inventory Control

Acting as an intermediary between vehicle licensing offices and Correctional Industries, the Inventory Control Unit (ICU) at the Department of Licensing is responsible for overseeing and maintaining stocks of license plates for County Auditors, vehicle subagents, and the agency's Special Plate Unit. The ICU ensures

¹ RCW 46.16A.030(1); RCW 46.04.2701

the continuity of plate supplies, promotes an equitable distribution of plates among offices, and safeguards the public's investment in plate inventory.

- Monitoring and Audits: The ICU monitors restock levels to ensure a 60-day supply of license plates is maintained at all vehicle licensing offices. While much of the inventory monitoring process is automated, the ICU verifies actual usage and audits inventory stocks to ensure the accuracy and integrity of the plate fulfilment system.
- > On-Hand Inventory: The ICU also maintains on-hand inventory for all plate types. The on-hand inventory is used as a buffer for smaller plate requests by vehicle licensing offices. This buffer allows license plate requests sent to Correctional Industries be batched more effectively.

LICENSE PLATE ORDERING, PRODUCTION, AND FULFILLMENT

At a high level, there are three general steps in the license plate inventory and fulfillment process. First, the Inventory Control Unit at the Department of Licensing places a plate order with Correctional Industries. Second, Correctional Industries receives orders and manufactures requested plates. Third, orders are delivered to vehicle licensing offices for use. The remainder of this section will elaborate on each of these steps.

The process begins with bulk ordering. Twice per year, the ICU places a bulk order for standard plates with CI, based on historical and anticipated needs. These bulk orders allow CI to secure sufficient quantities of raw materials to meet projected production needs. While a bulk order establishes the overall quantity of plates to be produced in a given time period, it does not result in a license plate arriving to a vehicle licensing office.

Instead, the ICU submits weekly requests to CI for license plate fulfillment. Every day, the ICU monitors inventory levels and receives plate requests from County Auditors, vehicle subagents, and the agency's Special Plate Unit. ICU collates these requests, adjusting based on professional judgement, and then sends separate requests to CI for standard plates and digital plates each week. Other plate requests, such as personalized license plates or vehicle dealer license plates, are sent through DOL systems directly to CI.

When the plate request is received, CI enters the request into the production system and confirms receipt of the request with DOL's ICU. Orders are designated for production at the Washington State Penitentiary in Walla Walla. The production team at the facility performs standardized work to meet daily and weekly targets. The production process differs for standard and digital plates.

- > Standard plates are processed daily.
- **Digital plates** are processed in batches, usually once or twice per week.

After production, license plates are boxed and prepared for shipping. CI manages the transportation for plate orders for locations in eastern Washington. For plate orders designated for western Washington offices, CI delivers plates to a warehouse in Tumwater for staging and eventual distribution. Plate requests may be fulfilled by either providing the plates directly to County Auditors or to DOL's ICU. County Auditors are generally responsible for distributing plates to their subagents, but there are exceptions. Thirteen subagents across five counties participate in a pilot program that allows them to receive plate orders directly from CI. Additionally, some other plate types, such as vehicle dealer plates and personalized plates, are sent directly to dealers and customers.

Once a County Auditor or licensed subagent receives their requested license plates, they begin issuing plates to customers. During ordinary times, customers receive standard plates at the time of registration.

More recently, as the state experienced production shortages, license plates have been sent after a transaction as the plate becomes available. Temporary permits are provided to customers who are waiting to receive plates.

PROCESS AND PRODUCTION ASSESSMENT

Overview of Potential Improvements

Staff from the Department of Licensing and Department of Corrections worked collaboratively to assess current license plate ordering, production, and fulfillment processes to identify areas for improving the efficiency of Washington's license plate system. This section details potential improvements. The following section discusses a proposed crisis mitigation strategy to address potential future license plate supply shortages. Section 6 outlines our proposed recommendations for overall improvements.

Increasing Automation and Reporting

There are several opportunities for improving the plate production system through increased reliance on DOL's operating system, the Driver and Vehicle System (DRIVES), for plate ordering and reporting purposes.

DRIVES has established restock levels for each vehicle licensing office served by the ICU, and these restock levels provide the ICU with a notification regarding potential plate needs throughout the state. However, restock levels set in DRIVES are not dynamically updated. Due to current technical limitations, the restock data used by DRIVES must be manually updated and has not been updated in several years. Consequently, staff with DOL's ICU must manually adjust figures from DRIVES regarding plate needs using other data sources, and then balance these projections against plate requests from counties or other offices. Technical updates to DRIVES could improve the quality of the automated reports by automatically adjusting the projected needs across the state based on more recent data. This intervention would diminish the workload required for ICU staff to process and validate plate requests.

DRIVES enhancements will also allow the system to provide more detailed and accurate reports on plate usage. Integrating better plate usage data with production data from Correctional Industries may enable the creation of automated reports that consider both current plate usage and production figures so forecasting when usage is outpacing production can happen quickly. Providing CI with access to DRIVES, and potentially integrating CI's production database with DRIVES, may enhance these benefits further. This intervention may provide an earlier warning for potential plate supply shortages, allowing DOL and CI to take corrective action to mitigate the shortage more rapidly.

Order Standardization

DOL staff considered several ways the plate ordering and fulfillment processes could be standardized to leverage natural efficiencies and economies of scale. Each potential change discussed below has corresponding trade-offs.

License plates are ordered and requested in different ways, depending on the request origin and type or use of the plate. Most requests for plates come to the ICU, but some plate requests, such as personalized plates or vehicle dealer plates, flow directly to CI from the relevant DOL programs. While adding personalized plates and vehicle dealer plates to the ICU review process would increase standardization,

processing times for these plates would also increase and there may not be a corresponding benefit to additional inventory control measures.

Processing times for some license plate requests from vehicle licensing offices may also be reduced if additional plate types are permitted to skip the ICU review process. This change would reduce the workload for the ICU. However, the ICU ensures the equitable distribution of plates statewide especially when license plates are in short supply. The ICU performs inventory auditing and monitoring which may be more difficult if they are not integrated into the general plate ordering process. Without greater automation in the reporting system, as described in the previous subsection, this potential change may lead to inequities in plate receipt across the state.

The pilot program that allows thirteen subagents across five counties to receive plate orders directly from CI has many labor-intensive steps for ICU. The process begins with an email from vehicle licensing offices to the ICU. The ICU reviews each request and determines if the requested plate amounts are consistent with historical usage data and projected needs. Discontinuing this pilot program and integrating the participant counties back into the standard process would allow the ICU to refocus their resources on statewide monitoring and inventory control issues, and more effectively manage distribution during shortages.

Equipment Improvements

Investments in production equipment will improve the reliability and efficiency of the production process. increasing the stability of the plate production system.

Equipment breakages and repair timelines worsened production delays due to the COVID-19 pandemic. License plate production equipment is highly specialized and vendors who can service the equipment are in high demand. Investing in more reliable production equipment would reduce downtime and give greater stability to the license plate production process. This intervention would reduce the likely duration of any future license plate supply shortage.

More efficient equipment would enhance Cl's production abilities, allowing more plates to reach customers each week. Newer equipment offers additional safety features that improve workplace conditions. With the ability to increase production capacity, supply shortages would be overcome more quickly.

Digital Plate Expansion

Embossed plates could be replaced with digital plates in order to standardize plate production. While most passenger vehicles have embossed plates, CI produces a significant number of digital plates to fulfill DOL orders. State law does not limit DOL from issuing digital plates instead of the more common embossed plates. However, this may not be recommended financial reasons. Digital plates are more costly to produce. A digital plate costs \$4.45 to produce, in comparison with the production cost for a standard embossed plate of \$2.53. Transitioning to only digital plates would significantly increase production costs.

CRISIS MITIGATION STRATEGIES

The Playbook Approach

Crisis management playbooks are a tool frequently used in emergency or incident response and can be adapted for the license plate production context. In addition to the general efficiency improvements discussed in Section 4, a Crisis management playbook can serve to organize the state's response to potential future license plate shortages. Using a series of "plays," the Department of Licensing and Correctional Industries can take early and escalating actions to effectively prevent or mitigate future license plate shortages in Washington.

This section will summarize key plays developed to prevent or mitigate future license plate shortages. Extended descriptions of these plays can be found in Appendix C.

Using Increased Automation and Reporting as an Early Alert

If the Department of Licensing implements improvements to DRIVES to allow for increased automation and higher-quality reporting, as described in the previous section, this data can be used to provide early warnings that plate demand is outpacing production or supply. In principle, this provides both DOL and CI with the information required to take effective and timely preventative measures.

Two metrics can be tracked to provide an early warning for potential plate shortages. First, the issuance of dealer temporary permits is tied to future plate issuances. Therefore, a substantial increase in dealer temporary permit issuances can forecast an increase in the future demand for plates. Second, reductions in plate inventory held on-hand by DOL's ICU, above what is anticipated in a given period, can also indicate when plate demand is starting to outpace plate supply. Thresholds can be established for each of these metrics so that changes of an unexpected or substantial nature in either category will lead to action by DOL or CI.

When these triggers are activated, DOL can engage in the first play of the playbook: (a) communicating with CI to provide notice of increased demand; (b) placing additional plate orders to maintain an adequate buffer of plate inventory on hand; and (c) communicating with external partners if trends indicate a supply disruption is likely. For CI, this early communication can provide the opportunity to order additional raw materials, if necessary, to prevent production interruptions.

Reacting to Declines in Staffing

Staffing disruptions were a contributing factor to the recent plate shortage. Continued efforts to recruit and retain production staff is an important aspect of maintaining Washington's plate production system. Cl can use internal data to monitor their staffing levels and ensure there is an adequate supply of workers. Under this play, a 15% decline in license plate production staffing levels would trigger Cl to begin additional recruitment and retention efforts to mitigate the potential for larger disruptions and restore full production capacity.

Utilization of Third-Party Vendors

While CI has been a longstanding partner in Washington's plate production system, during the recent plate shortage it has been necessary to supplement CI's production with the fulfillment of plate orders by third-

party vendors. The use of third-party vendors is not as cost-effective, and so it is preferable to limit use of third-party vendors only to times of potential shortage.

Using the enhanced reporting system described above, it will be possible to better forecast plate supply and demand. Under this play, when demand outpaces supply and the inventory buffer maintained by ICU is expected to be exhausted, CI would contract with a third-party vendor to catch up on the state's immediate plate needs. This is a final and escalating step to mitigate potential shortages when the other plays in the playbook have been insufficient. These third-party orders would continue until plate production once again exceeds demand and any backlogged plate orders are eliminated.

FINAL RECOMMENDATIONS

After considering Washington's license plate production system and the potential improvement ideas discussed in this report, DOL staff have the following recommendations:

- 1. Enhance DRIVES to allow for higher-quality reporting and forecasting. As discussed, enhancements to DRIVES that allow for increased automation and reporting detail will allow agency staff to detect potential supply mismatches earlier, which enables early interventions to protect the state's license plate supply chain. DRIVES enhancements require additional funding and development time to implement.
- 2. Standardize plate ordering and inventory practices by eliminating the pilot program allowing for the direct shipment of plates to subagents. Reintegrating the pilot program participants into the agency's standard inventory control system allows for agency staff to devote additional resources to statewide monitoring and inventory control issues. Increasing standardization in this process will promote an equitable distribution of plates within Washington and the agency resources freed up by this change can be used to address emerging distribution or related issues.
- 3. Support continued investment in the plate production equipment used by Correctional Industries. Additional investments in production equipment will increase the reliability and efficiency of the production process, increasing the stability of the plate production system. Newer equipment may also be safer for workers, with benefits from increased safety accruing to both workers and the state.
- 4. Take no action to increase the state's usage of digital license plates in lieu of standard embossed plates. Production costs for digital plates are higher than for standard embossed plates. Transitioning to only digital plates would significantly increase aggregate production costs. In addition to the financial impact, it is unlikely that transitioning to digital plates would increase the reliability or stability of the license plate production system. Such a transition would also require additional investments in equipment to replace the current standard plate production equipment.
- 5. Department of Licensing and Correctional Industries move to adopt the Crisis Mitigation Playbook tactics recommended in Section 5. While factors contributing to the recent license plate shortage were unique, the potential for future shortages can be mitigated by establishing data-driven metrics to forecast plate supply and demand mismatches. By establishing clear thresholds for action and a playbook of specific responsive actions, DOL and CI can respond earlier and more frequently to potential disruptions to protect the stability of Washington's license plate system.

APPENDIX A: GLOSSARY OF TERMS

CI - Correctional Industries. An agency under the umbrella of the Department of Corrections.

DRIVES – The Driver and Vehicle System, a technological system used by the Department of Licensing to process driver and vehicle transactions and maintain related records.

DOC - Department of Corrections.

DOL - Department of Licensing.

ICU – The inventory Control Unit at the Department of Licensing. Tasked with managing plate inventories, among other duties.

VLO – Vehicle Licensing Office, an in-person office location for vehicle owners in Washington to complete registration, titling, or other vehicle transactions.

Roller coating - The process of applying ink to the embossed (raised) characters on a license plate.

SQR – A Service Request, used internally by the Department of Licensing to refer to requested or planned updates to the technological systems used by the agency.

Blanking – The process of the imaged sheeting being adhered to aluminum and then pressed into a license plate.

Embossing – The process of pressing the raised characters into a license plate.

Digital plate – This is a plate that has the characters and images printed to sheeting and adhered to aluminum without the characters being embossed (raised) into the finished plate.

APPENDIX B: LIST OF PLATE TYPES

The table below provides a description of many license plate types, along with the authorizing statute for each.

License Plate Name	RCW	Description
Vehicle Dealer		Vehicle Dealer license plates are issued to licensed vehicle dealers for various purposes including demonstration, testing and repair, movement between facilities, and vehicle exhibitions.
Vehicle Manufacturer		Vehicle Manufacturer license plates are used by licensed vehicle manufacturers for vehicle movement and testing purposes.
Apportioned (IRP)		Apportioned license plates are issued to commercial vehicles registered in accordance with the International Registration Plan.
Motor Vehicle Transporter		Motor Vehicle Transporter license plates are required when a vehicle which is required to be registered is moved by an individual or business who is not the owner of the vehicle, such as an independent company driving a vehicle from one dealership to another.
Hulk Hauler/Scrap Processor		In addition to other required license plates, a hulk hauler or scrap processor must display a special set of plates when operating vehicles in the conduct of their business.
Disabled Parking		DOL is responsible for designing and distributing disabled parking plates which will give the individual additional parking privileges
Wrecking Yard	46.80.060	Wrecker will obtain plates to be displayed on vehicles operated by wrecker in the conduct of their business.
Off Road Vehicle Dealer	46.09.330	Section 3 dealers may purchase off-road vehicle dealer license plates
Snowmobile	46.10.440	Department of licensing is responsible for issuing snowmobile decals for the purposes of registrations which will serve the same function as plates
Passenger		Vehicles must be registered and must display license plates or decals assigned by the department
Truck		Vehicles must be registered and must display license plates or decals assigned by the department
Trailer		Vehicles must be registered and must display license plates or decals assigned by the department
Motorcycle		Vehicles must be registered and must display license plates or decals assigned by the department

Motorcycle Trailer	46.16a.030	Vehicles must be registered and must display license plates or decals assigned by the department
WATV	46.09.444	WATV's have to have a metal tag affixed to the rear of the vehicle
Collector Vehicle	46.18.220	A registered owner may apply for a collector vehicle license plates for vehicles that are at least 30 years old.
Snowmobile Dealer		Snowmobile Dealer license plates are issued to licensed snowmobile dealers to operate snowmobiles for the purposes of demonstration or testing.
Special License Plates	46.18	Special license plates are specific designs and use authorized by the legislature under Chapter 46.18 RCW. These license plates include department approved plate types under RCW 46.18.200, as well as other specialty plates including Gold Star license plates and Collegiate license plates. Special license plates may also include personalized license plates, and personalized special license plates.
Personalized (Vanity) plates	46.18.277	Personalized license plates and personalized special license plates are standard or special license plates where the number/letter combination is chosen by the individual, and is subject to review and approval by the Department.
Disabled American Veteran		A registered owner who is a veteran may apply for Disabled American Veteran license plates from the Department.
Horseless Carriage	46.18.265	A registered owner may apply for a horseless carriage license plate for a motor vehicle that is at least 40 years old.
Purple Heart	46.18.280	A registered owner who has been awarded a Purple Heart may apply for special license plates from the Department.
Prisoner of War	46.18.235	A registered owner who is a veteran may apply for prisoner of war license plates from the Department.
Gold Star	46.18.245	A registered owner who is an eligible family member of a member of the US armed forces who died while in service to his or her country, may apply to the department for a special gold star license plate.

APPENDIX C: PLAYS IN THE CRISIS MANAGEMENT PLAYBOOK

Tactic 1: Using Increased Automation and Reporting as an Early Alert

<u>Lead:</u>	Partners:	External:	Hazards/Goals:	Funding/Costs:
DOL's Inventory Control Unit	Correctional Industries DOL's Vehicle and Vessel Operations team	Correctional Industries, Vehicle Licensing Agents and Subagents	Data integrity, establishment of actionable thresholds	Initial technology costs to implement

Objective:

Respond to Early Indications of Potential Shortages

Description:

Utilizing enhanced reporting features in DRIVES, track plate issuance figures to determine when demand is likely to increase past expected levels using two metrics:

- a. The issuance of dealer temporary permits or plates;
- b. Overall on-hand inventory levels for DOL's Inventory Control Unit

Using thresholds establishing by the professional judgement of relevant DOL staff, these metrics can be monitored so that changes of an unexpected or substantial nature will lead to action by DOL and CI.

When the target thresholds are reached, DOL will perform the following:

- a. Communicate to CI regarding plate demand trends;
- b. Place additional plate orders to maintain an adequate buffer of plate inventory on hand; and
- c. Communicate with external partners when trends indicate a disruption in supply is likely.

When DOL provides trend information to CI, CI will assess their supplies of raw materials to determine if additional raw materials orders are necessary in order to respond to the recent forecasts of plate needs. If an additional order is necessary, CI will place an order.

Strategy	2-Year update Cycle:	5-Year Plan Cycle:	Long-Term:
Checkpoints:			
	Determine if	Review stability of plate production	Continued review and
Dealer Temp	Percentages are	system, assess any interruptions in	assessment of
Plate issuance	actionable for both	plate receipt during the last five	established thresholds
Overall	agencies	years	
inventory levels			

Implementation Actions:

DOL must enact enhancements to DRIVES to allow for higher-quality reporting regarding plate needs and the tracking of plate issuance metrics.

DOL must establish thresholds that will trigger corrective actions, as described previously.

Recent Advances:

Tactic 2: Reacting to Declines in Staffing

Lead:	Partners:	External:	Hazards/Goals:	Funding/Costs:
Correctional Industries	Dept. of Corrections	Dept. of Licensing	Enough workers on-hand daily for production	Incarcerated gratuities

Objective:

Maintain a consistent and stable plate production workforce.

Description:

Utilize incarcerated population to fill production positions within the license plate operation located at the Washington State Penitentiary.

Determine the minimum worker count that sustains production needs and activate this strategy when count falls below the minimum threshold.

Strategy Checkpoints:	2-Year update	5-Year Plan Cycle:	Long-Term:
 Current Worker #'s Identify those set to move/release Place new worker(s) 1-2 weeks prior to current worker's departure 	Cycle: Determine effectiveness and did CI meet the order demand and timelines of DOL	Review of production and frequency of activation this strategy	Monitor, evaluate, and make needed alterations if necessary

Implementation Actions:

- 15 % drop in staff levels would trigger enhanced recruitment and retention efforts
- Presentation of program benefits during intake orientation
- Unit visits to attract additional workers
- Involve current workforce in recruiting efforts within their living units
- Communicate worker needs with Job Assignments staff and Unit Counselors

Recent Advances:

Tactic 3: Utilizing Third Party Vendors

<u>Lead:</u>	Partners:	External:	Hazards/Goals:	Funding/Costs:
Correctional Industries	Dept. of Corrections	Dept. of Licensing	Enough workers on-hand daily for production	Incarcerated gratuities

Objective:

Maintain plate supply by supplementing production with third party fulfillment

Description:

Using data provided by the Department of Licensing (DOL) and internal inventory data, Correctional Industries will establish inventory thresholds that will lead to the activation of plate production contracts with third-party vendors. Once activated, a third-party vendor will be employed to bolster plate fulfillment efforts. The contract will be deactivated after an adequate buffer of license plates held in inventory is restored.

Strategy	2-Year update	5-Year Plan Cycle	Long-Term
<u>Checkpoints</u>	Cycle	Review of production and	Monitor,
Inventory levels	Determine vendor effectiveness and evaluate established threshold levels	frequency of activation this strategy	evaluate, and make needed alterations if necessary

Implementation Actions

Establish inventory threshold levels that will trigger the activation of the third-party contract.

Establish relationships with potential vendors.

Evaluate whether other circumstances should lead to the activation of the third-party contract.

Recent Advances