



March 1, 2017

NOTICE OF CHANGE IN VENDOR MANAGEMENT FEE RATE

Thank you for being a valued vendor who does business with the State of Washington. I am writing to notify you of a vendor management fee (VMF) rate change, which is consistent with your contract, which allows Enterprise Services to adjust the fee as needed.

An amendment initiating the new VMF rate for your contract will be sent to you in the next week. The new VMF rate will be 1.5 percent, effective April 1, 2017.

The rate change is necessary to:

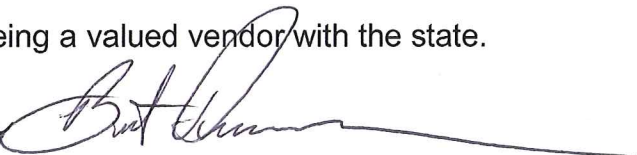
- Better align with other states' rates;
- Ensure cost-recovery best practices, as required by state law; and
- Meet federal fiscal requirements.

We were fortunate to be able to set the initial low rate of 0.74 percent in 2013 and maintain it for nearly four years.

Looking ahead, in addition to meeting fiscal requirements, we are hoping the adjustment will enable us to better meet customer requests for additional support and enhancements for increasing contract awareness, accessibility and use, which will be a benefit for everyone.

Instructions for promptly signing and returning the amendment will be included when it arrives. If you have any questions please call or email me, I'm here to assist.

Thank you again for being a valued vendor with the state.

Brent Duncan 

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