



REQUEST FOR PROPOSAL
2024/2025 CONTRACT TERM



Thurston County Public Health and Social Services
412 Lilly Road NE
Olympia, WA 98506
www.co.thurston.wa.us/health/ssdd



General Information

RFP Release Date:	August 30, 2023	
Due Date:	September 29, 2023	
Application Submission:	DDFunding@co.thurston.wa.us	
Summary of Expected Results:	This RFP is seeking proposals for services which provide support to individuals with developmental disabilities and their families in our local community. The purpose is to carry out the stated mission by supporting innovative solutions and funding additional services that foster community involvement in alignment with the goals and objectives of our shared counties.	
Timeline for Selection:	Proposal Review/Evaluation Contract Award Notification Contract Start Date	October 2 – 31, 2023 By November 15, 2023 January 1, 2024
Exhibits and Attachments:	County Coversheet Proposal Overview Budget Sheet Spending Plan Sample County Professional Services Agreement	
Eligibility:	<p>Respondents must demonstrate the capacity and readiness to deliver the services proposed within the RFP timeframe in accordance with all contractual requirements. If the Respondent is unable to demonstrate a comprehensive plan for achieving the intended goal, the Respondent will not be considered for funding under this RFP. To be eligible for consideration, Respondents must:</p> <ol style="list-style-type: none"> 1. Demonstrate the ability to provide the service(s) to individuals with developmental disabilities and their families as described in the proposal. 2. Demonstrate an understanding of and the ability to comply with the County Guidelines. 3. Demonstrate the potential to provide services that are consistent with the goals and objectives of the Thurston/Mason County Developmental Disabilities program. 	
Proposal Materials:	https://www.thurstoncountywa.gov/departments/public-health-and-social-services/administration/fiscal/funding-announcements	
Contact:	Mark Moffett, Program Manager (360) 867-2597 mark.moffett@co.thurston.wa.us	

Program Mission

Our mission in the Thurston/Mason County Developmental Disabilities (T/MCDD) program is to work with people with developmental disabilities, their families and the community to promote everyone's well-being, rights, choices and opportunities in living as valued, contributing and integrated members of the community.

Program Funding

T/MCDD program utilizes Washington State Department of Social and Health Services (DSHS) grants and local property tax revenue (millage) to provide services consistent with this mission. Contracts with the Developmental Disabilities Administration (DDA) and the Division of Vocational Rehabilitation (DVR) provide employment, community inclusion and transition services to adults with developmental disabilities. Millage funds are utilized to pay for services that are not authorized under these contracts. Some examples of these services may include individual technical assistance, specialized training, and benefits planning.

The Washington State Legislature provides funds for the coordination and provision of community services for persons with developmental disabilities through [RCW 71A.20.170](#). This statute directs the governing authority of each county in the state to levy a tax and create a community trust account specifically dedicated to ensuring availability and accessibility of services to individuals with developmental disabilities and their families. Successful proposals will be funded primarily through these county funds.

Request for Proposal Overview and Current Program Funding Priorities

A Request for Proposal (RFP) is an opportunity for agencies to submit proposals for consideration to receive funding for specific programs and/or services. The purpose of the RFP funding process is to develop community partnerships which foster collaboration and expansion of services that support individuals in our local community with developmental disabilities. This RFP specifically requests proposals from programs or projects which provide innovative solutions and services in the following areas:

Inclusive Community Arts

- ⇒ The goal is to provide an inclusive, integrated community art space where individuals with developmental disabilities are free to express themselves through various artistic methods.
- ⇒ Programs will allow artists to work independently or with appropriate levels of support to conceptualize their own creative vision.
- ⇒ Participants will experience enhanced independence, gain increased confidence and valuable communication skills through art and interaction with class participants and instructors.
- ⇒ Programs will provide accessible workshop space, art materials/supplies and offer a collaborative environment that promotes healthy communication, personal expression, friendships, and a sense of community and belonging.

Educational Partnership

- ⇒ The goal is to provide individualized tutoring, mentorship, and training to assist individuals with developmental disabilities in identifying, understanding, and taking steps towards achieving their personal interest and/or educational goals.
- ⇒ Services will provide individuals access to educational partners who can assist with identifying personal interests and developing an educational plan.
- ⇒ Participants will obtain valuable information regarding researching and mapping their educational and personal interest goals. They will gain knowledge and information in their chosen area(s) of study and will be able to complete, or make progress towards completing an educational program or personal interest project.
- ⇒ Programs will provide dedicated and qualified staff and access to educational materials needed to meet the participants' educational and personal goals.

Behavioral Support and Life Skill Services

- ⇒ The goal is to provide individualized behavioral support and/or life skill services to adults with developmental disabilities who are participating in the High School Transition program and/or Individual Supported Employment services.
- ⇒ Services will be directed toward providing individual assistance and support in developing interpersonal communication, self-advocacy, and conflict resolution skills.
- ⇒ Through a referral from T/MCDD, program providers will complete an intake/assessment to determine appropriate services for the individual, develop goals in collaboration with the individual and their family, schedule and provide direct service sessions and make recommendations for future services.
- ⇒ Program providers will have well-qualified staff who have experience working with individuals with developmental disabilities and their families and will provide on-going feedback to T/MCDD regarding each participants' progress.

Healthy Relationship Education

- ⇒ The goal is to provide information and education regarding creating and maintaining healthy, interpersonal relationships.
- ⇒ Services will be in an integrated, community setting that is accessible to all with a target audience of individuals with developmental disabilities and their families.
- ⇒ Program content should include topics such as:
 - Setting and understanding healthy personal boundaries
 - Learning and utilizing effective communication skills
 - Developing and practicing self-advocacy skills
 - Personal safety
 - How to report abuse and/or concerns
- ⇒ Materials and information should be presented in a way that can be easily understood, transferred to daily interactions and accessible to participants.
- ⇒ Program providers will have well-qualified staff who have experience working with individuals with developmental disabilities and instructors who have attended a Healthy Relationships certified training course.

Proposal Selection Process

All proposals will be assessed and scored by a volunteer panel comprised of individuals who do not have a vested interest in the process, who do not have a current proposal pending and who have knowledge of community needs regarding individuals with developmental disabilities. Upon completion of the review process, the panel members will submit recommendations to the Thurston County Board of County Commissioners (BoCC) for consideration. T/MCDD staff provide technical and administrative support to the panel but do not participate in the process of selecting proposals for recommendation to the BoCC.

The panel will review and discuss all proposals to:

- Assess the level of need for the proposed services
- Determine how each proposal will fulfill the need of available services to individuals with developmental disabilities
- Evaluate whether the proposed services align with T/MCDD's mission
- Consider whether the proposal is well-articulated and identifies realistic, attainable goals
- Evaluate if the anticipated benefit to the community is in line with the cost of services

To fully understand any proposal, the panel may request additional information to be presented in writing or may request to interview the applicant. For proposals requesting a continuance of currently provided services, the panel will additionally take into consideration factors measuring current contract performance and may suggest alterations to the proposal. The panel's final recommendation will be forwarded to the BoCC for approval.

Funding

Contracts are for a maximum of two years and are scheduled to begin on **January 1, 2024** and end no later than **December 31, 2025**. Up to **\$700,000** will be available for Thurston County contracts and up to **\$300,000** will be available for Mason County contracts. These amounts only apply to funding years **2024 and 2025**. Future and continued funding is not guaranteed.

Resources are limited and typically there are insufficient resources to fund all submitted proposals. The County prefers to award several smaller contracts rather than a limited number of larger contracts.

Submission Instructions

Completed proposal packets, including the application and any supporting documents, should be emailed in a single pdf attachment to DDFunding@co.thurston.wa.us. All submissions should be sent by no later than **Friday, September 29, 2023**. Proposal packets not emailed to this email address or that are received after this date will not be considered for funding.

All proposal packets must contain the following:

- County Coversheet and Narrative Questions
- Proposed Budget Spreadsheet
- Proposed Salary Spending Plan Spreadsheet

T/MCDD program reserves the right to modify, reject or negotiate any proposal submitted with the proposing organization prior to recommending funding of the proposal.



Thurston/Mason County Developmental Disabilities



Community Project Grant Proposal Coversheet

Proposal Title

Proposal Summary (1,000 max characters)

Requested Funds for 2024-2025

Thurston County Grant \$

Mason County Grant \$

Agency or Organization Name

Street Address

City

State

Zip Code

Mailing Address

City

State

Zip Code

Primary Contact

Phone

Fax

Title

E-mail



Thurston/Mason County Developmental Disabilities Community Project Grant Proposal Narrative Questions



Answers must be typed on 8 ½ by 11-inch paper using a standard type font. Responses must be presented in the same order as below. The identifying question number should be presented before the response. All pages must be single sided and numbered.

Applications may be submitted electronically in a single attachment or a hard copy can be mailed or hand delivered.

Applications received with incomplete documents or missing information may be rejected. The following documents are required with all application packets:

- County Coversheet
- Narrative Questions with responses typed on 8 ½ by 11-inch paper
- Proposed Budget Spreadsheet
- Proposed Salary Spending Plan Spreadsheet
- Additional documents requested in the Narrative Questions with the identifying question number clearly stated at the top of the document

Questions

1. Provide a detailed summary of your proposal. Details should include information such as:
 - a. Target service audience/population
 - b. Type of service(s) to be provided
 - c. Information about agency location and accessibility
 - d. Specific areas of Thurston/Mason county to be served
 - e. Frequency of service(s) to be provided and/or program hours
 - f. Details about how the proposed service(s) will benefit the target service audience/population and the community and fill existing service gaps
2. Provide a clear Statement of Work that describes goals and intended outcomes of your proposal. Goals and anticipated outcomes should be Specific, Measurable, Attainable, Realistic and Time-bound (SMART).
3. Describe the need for services and any identified service gaps your proposal addresses. Funding priority will be given to services that are not provided or funded by DSHS programs such as Division of Vocational Rehabilitation or Developmental Disabilities Administration.
 - a. If you are **currently** providing services under the previous Community Project Grant, your new proposal must:
 - Identify the service(s) you provide under your current agreement
 - Demonstrate the need for continuation of services
 - Include details regarding the outcomes achieved in comparison to the initial program projections
 - b. If you are proposing a **new** service or project, your proposal must include:
 - Data to support the need for your proposal
 - Cited sources for data that demonstrates service need

4. The mission of the Thurston/Mason County Developmental Disabilities program is: *“To work with people with developmental disabilities, families and the community to promote everyone’s well-being, rights, choices and opportunities in living as valued, contributing and integrated members of our community”*.

What is your agency’s mission and how does the service(s) you provide align with Thurston/Mason County Developmental Disabilities program’s mission?

5. Clearly indicate how your proposal will promote one, or all, of the following needs for people with developmental disabilities:
 - a. Education and personal safety
 - b. Community accessibility and inclusivity
 - c. Personal growth and independence
 - d. Services or supports that benefit individuals with developmental disabilities
6. Indicate how much this proposal will cost through the Proposed Budget and Proposed Salary Spending Plan spreadsheets. Include other funding sources that will pay for the costs not proposed. If the full amount requested is not awarded, how will you modify the request and/or service(s)?
7. Add any additional information and/or supporting documentation you would like the review panel to consider when reviewing your proposal.



**Thurston and Mason Counties
Developmental Disabilities
PROFESSIONAL SERVICES AGREEMENT
Contract Number:**

This Professional Services Agreement is entered into in duplicate originals between Thurston County through its Public Health & Social Services Department, Developmental Disabilities Program, hereinafter "County," and the Contractor identified below, hereinafter "Contractor."

PARTIES TO THE AGREEMENT

CONTRACTOR

COUNTY

Thurston County through its Public Health & Social Services Department
Developmental Disabilities Program
412 Lilly Road NE
Olympia, Washington 98506-5132
Telephone: 360-867-2597 FAX: 360-867-2601

TERM OF AGREEMENT: The term of this Agreement is **January 1, 2022 through December 31, 2023.**

STATEMENT OF WORK. Refer to the descriptions in Section 3 and Exhibit B of this Agreement.



EXHIBITS: The following exhibits are attached and are incorporated into this Agreement:

- Exhibit A, Business Associate Agreement Addendum
- Exhibit B, Statement of Work
- Exhibit C, Compensation

By their signatures below, the parties agree to the terms and conditions of this Professional Services Agreement and all documents incorporated by reference. No other understandings or representations, oral or otherwise, regarding the subject matter of this Professional Services Agreement shall be deemed to exist or bind the parties. The parties signing below certify that they are authorized to sign this Professional Services Agreement. The parties hereto acknowledge that the waiver of immunity set out in section 11 was mutually negotiated and specifically agreed to by the parties herein.

FOR THE CONTRACTOR

FOR THE COUNTY

AGENCY CEO/REPRESENTATIVE

Schelli Slaughter, Director Public Health & Social Services

Date: _____

Date: _____

Approved as to form:
Rick Peters for Jon Tunheim, Deputy Prosecuting Attorney

GENERAL TERMS AND CONDITIONS

1. **Definitions** The words and phrases listed below, as used in this Agreement, shall each have the following definitions.
 - 1.1. **Agreement (or “Contract”)** means this Thurston and Mason Counties Developmental Disabilities Professional Services Agreement and any exhibits and other documents attached or incorporated by reference.
 - 1.2. **Client** means a person with a developmental disability as defined in [Chapter 388-823 WAC](#) who has been deemed eligible to receive services under this Agreement.
 - 1.3. **Confidential Information** means information that is exempt from disclosure to the public or other unauthorized persons under [Chapter 42.56 RCW](#) or other federal or state laws. Confidential Information includes, but is not limited to, Personal Information.
 - 1.4. **County Staff** means the Thurston-Mason County Coordinator for Developmental Disabilities and his/her designees.
 - 1.5. **Personal Information** means 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, other identifying numbers, and any financial identifiers.
 - 1.6. **Quality Assurance** means an adherence to all Program Agreement requirements as well as a focus on reasonably expected levels of performance, quality and practice.
 - 1.7. **Quality Improvement** means a focus on activities to improve performance above minimum standards and reasonably expected levels of performance, quality and practice.
 - 1.8. **RCW** means the Revised Code of Washington. All references in this Agreement and any Program Agreement to RCW chapters or sections shall include any successor, amended or replacement statute.
 - 1.9. **WAC** means the Washington Administrative Code. All references in this Agreement and any Program Agreement to WAC chapters or sections shall include any successor, amended, or replacement regulation.
2. **References** The Contractor is required to comply with all of the following policies and articles that are incorporated herein by reference in performing services pursuant to this Agreement with the County. The [DDA Policy Manual](#) is located on the DDA web site. Thurston-Mason County Guidelines are on the [Thurston County Developmental Disabilities](#) website.

DDA Policy Manual:

- 5.01 Background Check Authorizations
- 5.02 Necessary Supplemental Accommodations
- 5.13 Protection from Abuse: Mandatory Reporting
- 6.08 Incident Management and Mandatory Reporting Requirements for County and County Contracted Providers

Washington Administrative Code (WAC):

- [WAC 388-06](#) Background/Criminal History Checks

Revised Code of Washington (RCW):

[RCW 74.34.020\(14\)](#) Contractor as a Mandated Reporter

[RCW 74.34.035, 040](#) and [Chapter 26.44](#) Reporting Requirements for Abuse of Vulnerable Adults and Children

[RCW 43.43.830-845](#) Background Checks-Access to Children or Vulnerable Persons

Thurston-Mason County Guidelines:

Incident Reporting

Monthly Billing

3. **Statement of Work**

The Contractor shall provide the services and staff and otherwise perform all tasks necessary for or incidental to the performance of work. A detailed description of the services to be performed by the Contractor is set forth in Exhibit B.

The Contractor shall perform the following services:

The Contractor agrees to:

- 3.1. Provide its own labor and materials. Unless otherwise indicated in this Contract, no material, labor, or facilities will be furnished by the County.
- 3.2. Perform according to standard industry practice of the work specified by this Contract.
- 3.3. Complete its work no later than the Contract termination date and in accordance with the schedule agreed to by the parties.
- 3.4. Submit monthly status or service delivery reports with the submission of monthly billing.

4. **Services Provided by the County**

In order to assist the Contractor in fulfilling its duties under this Contract, the County may provide information, technical assistance, and supplemental resources as identified in Exhibit B or Exhibit C.

5. **Credentials and Minimum Requirements:**

- 5.1. **Qualified Service Provider** The Contractor assures that it possesses the necessary expertise, knowledge, training, skills, and has the necessary licenses and/or certifications to perform the services set forth in this Agreement as well as documentation indicating the Contractor has adequate internal control systems and appropriate fiscal safeguards and budgetary oversight mechanisms. The County may implement a provisional contract status if a determination is made that the agency is out of compliance with the requirements outlined in this Agreement. The County may restrict new referrals under provisional status.
- 5.2. **Compliance with Applicable Law** At all times during the term of this Agreement, the Contractor shall comply with all applicable federal, state and local laws, regulations, and rules, including but not limited to, nondiscrimination laws and regulations and the Health Insurance Portability and Accountability Act of 1996 ([HIPAA](#)).
- 5.3. **Fiscal management and oversight** The Contractor shall safeguard public funds including maintaining books, records, documents and other materials relevant to the provision of goods and services. Documents used to verify compliance may include but are not limited to employee training records, Contractor's written policies, client and program records, personnel records,

employee timesheets and calendars, attendance records, newsletters, board roster, board minutes, program announcements, and emergency preparedness plans.

- 5.4. **Establish and maintain adequate internal control system** The Contractor shall establish and maintain adequate internal control systems, including the maintenance of written policy/procedural manuals for information systems, personnel and accounting/finance in sufficient detail such that operations can continue should staffing change or absences occur.
- 5.5. **Background/Criminal History Check and Fingerprinting Requirements** The Contractor shall verify background/criminal history clearance for all employees, subcontractors, and/or volunteers who may have unsupervised access to vulnerable clients, in accordance with [RCW 43.43.830-845](#), [RCW 74.15.030](#) and [Title 388 WAC](#) as part of the hiring process and every three years thereafter. Any new employee or staff that has lived outside the state for the past 36 months must also submit the New Hire Background Check for Fingerprints through the [DSHS Background Check System](#) (BCS). If the entity reviewing the application elects to hire or retain an individual after receiving notice that the applicant has a conviction for an offense that would disqualify the applicant from having unsupervised access to vulnerable adults as defined in Chapter [74.34 RCW](#), the County shall deny payment for any subsequent services rendered by the disqualified individual provider. In addition, the Contractor shall have in place a system to ensure all background/criminal history clearance results are checked by someone other than the employee, subcontractor, intern and/or volunteer for whom it was submitted.
- 5.6. **Reporting Abuse and Neglect** The Contractor, including its administration, staff and any volunteers, is a mandated reporter as defined under [RCW 74.34.020\(14\)](#), and must comply with reporting requirements described in [RCW 74.34.035, 040](#) and Chapter 26.44 RCW. If the County is notified that an employee, officer or agent of the Contractor has been cited or is on the registry for a substantiated finding, the employee, officer or agent will be prohibited from providing services under this Agreement.
- 5.6.1. The Contractor shall promptly report to the County per DDA Policy 5.13 *Protection from Abuse*, and DDA Policy 6.08, *Incident Management and Reporting Requirements for County and County Contracted Providers* if: there is reasonable cause to believe that abandonment, abuse, financial exploitation or neglect (as defined by [RCW 74.34.020](#)) of a person who has a developmental disability (as defined in [RCW 71A.10.020](#)) has occurred.
- 5.6.2. If the Contractor has reason to suspect that sexual or physical assault of such a person has occurred, the Contractor shall also immediately report to the appropriate law enforcement agency.
- 5.6.3. If the client is the suspected or alleged perpetrator of abandonment, abuse, financial exploitation, neglect, or physical or sexual assault as defined by [RCW 74.34.020](#), the Contractor shall immediately report the alleged incident to the County, Adult Protective Services, and/or Law Enforcement in accordance with DDA Policy 5.13 and DDA Policy 6.08.
- 5.7. **Incident Reporting** The Contractor is required to report, track, and analyze serious and emergent incidents harming and/or threatening the health and safety of clients in accordance with the [Thurston-Mason County Incident Reporting Guidelines](#).
- 5.8. **On-site Evaluation** The County will evaluate, and review services delivered to reasonably assure compliance and quality. The County may conduct at least one on-site visit during the period of this Agreement. The County will document all evaluations, recommendations and corrective

action. The Contractor shall take the actions necessary to carry out the recommendations and corrective actions, maintain compliance with this Agreement and retain copies of the documentation provided by the County. If the Contractor fails to correct identified issues or is determined to be out of compliance with this Agreement, the County may impose a provisional contract status or terminate the Agreement.

5.9. **Emergency Preparedness Plan** The Contractor shall have in place an emergency plan that includes, at a minimum, staff roles and responsibilities, contact information, and procedures during an emergency/disaster. The Contractor shall have an easily accessible, detailed description of each client's personal emergency contact information, medical conditions (medication, diet restrictions, allergies, etc.), worksite emergency plan, and documentation of client support needs and identification of who will provide the supports in the event of an emergency.

6. Billing and Payment

6.1. **Approval of Fees** The Contractor shall not charge rates or fees for services provided in excess of those approved by the County.

6.2. Payment for Service

6.2.1. For the services performed hereunder, the Contractor shall be paid as set forth in Exhibit C, attached hereto and incorporated herein by reference. No payment shall be made for any work performed by the Contractor, except for work identified and set forth in this Contract. The Contractor shall not be paid for services rendered under this Contract until and unless they have been performed to the satisfaction of the County. Unless otherwise provided for in this Contract, the Contractor will not be paid for any invoices presented for payment prior to the execution of this Contract or after its termination. The maximum total amount payable by the County to the Contractor under this Agreement shall not exceed \$__ for the Contract term.

6.2.2. **Monthly Invoices with Documentation** The Contractor may submit invoices, as applicable, in accordance with Exhibit C for payment of completed work during the billing period. The County shall pay the Contractor for services rendered in the month following the actual delivery of the work and will remit payment within thirty (30) days from the date of receipt of approved invoice. All requests for reimbursement by the Contractor for performance hereunder must be submitted on a County-approved invoice.

6.2.3. **Timelines and Modifications to Billings** All initial invoices with documentation must be received within ten (10) calendar days following the last day of the month in which the service is provided. If an invoice or required documentation is incorrect, it may be returned to the Contractor. The Contractor can expect to receive payment from a correct invoice and documentation within thirty (30) days from time of receipt and approval by the County. The Contractor must also ensure that all requests for reimbursement have documented evidence of service hours provided (such as accompanying receipts, case notes, or monthly client/service/status report). If such documentation cannot be produced upon request by the County, those service hours will not be reimbursed.

6.2.4. **Payment Withholding Due to Non-Performance and Recovery of Fees** In the event the Contractor has failed to perform any obligation under this Contract and such failure has not been cured within ten (10) days following notice from the County, then the County may, in its sole discretion, upon written notice to the Contractor, withhold any and all monies due and payable to the Contractor, without penalty, until such failure to perform is cured or otherwise adjudicated. If the Contractor bills and is paid fees for services that

the County later finds were (a) not delivered or (b) not delivered in accordance with Agreement standards, the Contractor shall reimburse those funds to the County.

7. Amendments and Changes in Work

- 7.1. In the event of any errors or omissions by the Contractor in the performance of any work required under this Agreement, the Contractor shall make any and all necessary corrections without additional compensation. All work submitted by the Contractor shall be certified by the Contractor and checked for errors and omissions. The Contractor shall be responsible for the accuracy of the work, even if the work is accepted by the County.
- 7.2. No amendment, modification or renewal shall be made to this Agreement unless set forth in a written Agreement Amendment, signed by an authorized representative of each party. Work under an Agreement Amendment shall not proceed until the Agreement Amendment is duly executed by the Contractor and the County.

8. Information System Security and Protection of Personal Information

8.1. **Definitions** The words and phrases listed below, as used in this Section 8, shall each have the following definitions:

- 8.1.1. **Authorized User(s)** means an individual or individuals with an authorized business requirement to access Confidential Client Information.
- 8.1.2. **Business Associate Agreement** means an agreement between a contractor who is receiving Data covered under the Privacy and Security Rules of the Health Insurance Portability and Accountability Act of 1996 and another contracted and authorized Business Associate. The agreement establishes permitted and required uses and disclosures of protected health information (PHI) in accordance with HIPAA requirements and provides obligations for business associates to safeguard the information
- 8.1.3. **Category 4 Data** is data that is confidential and requires special handling due to statutes or regulations that require especially strict protection of the data from which especially serious consequences may arise in the event of any compromise of such data. Data classified as Category 4 includes but is not limited to data protected by HIPAA (Pub. L. 104-191) as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH) [45 CFR Parts 160 and 164](#); the Family Educational Rights and Privacy Act ([FERPA](#)) [20 U.S.C. §1232g](#); [34 CFR Part 99](#); Internal Revenue Services [Publication 1075](#); Substance Abuse and Mental Health Services Administration regulations on [Confidentiality of Alcohol and Drug Abuse Patient Records 42 CFR Part 2](#); and/or Criminal Justice Information Services, [28 CFR Part 20](#).
- 8.1.4. **Cloud** means data storage on servers hosted by an entity other than the Contractor and on a network outside the control of the Contractor. Physical storage of data in the cloud typically spans multiple servers and often multiple locations. Cloud storage can be divided between consumer grade storage for personal files and enterprise grade for companies and governmental entities. Examples of consumer grade storage would include iCloud, Dropbox, Box.com, and many other entities. Enterprise cloud vendors include Microsoft Azure, Amazon Web Services, O365, and Rackspace.
- 8.1.5. **Encrypt** means to encode Confidential Information into a format that can only be read by those possessing a “key”; a password, digital certificate or other mechanism available only to authorized users.
- 8.1.6. **FedRAMP** means the Federal Risk and Authorization Management Program (www.fedramp.gov) which is an assessment and authorization process that federal

government agencies have been directed to use to ensure security is in place when accessing Cloud computing products and services.

- 8.1.7. **Mobile Device** means a computing device, typically smaller than a notebook, which runs a mobile operating system, such as an iOS, Android, or Windows Phone. Mobile Devices include smart phones, most tablets, and other form factors.
- 8.1.8. **Portable Device** means any computing device with a small form factor, designed to be transported from place to place. Portable devices are primarily battery powered devices with base computing resources in the form of a processor, memory, storage, and network access. Examples include but are not limited to mobile phones, tablet, and laptops. Mobile Device is a subset of Portable Device.
- 8.1.9. **Portable Media** means any machine-readable media that may routinely be stored or moved independently of computing devices. Examples include magnetic tapes, optical discs (CD's or DVD's), flash memory (thumb drive) devices, external hard drives, and internal hard drives that have been removed from a computing device.
- 8.1.10. **Secure Area** means an area to which only authorized representatives of the entity possessing the Confidential Information have access, and access is controlled through the use of a key, card key, combination lock or comparable mechanism. Secure Areas may include buildings, rooms, or locked storage containers (such as a filing cabinet or desk drawer) within a room as long as access to the Confidential Information is not available to unauthorized personnel. In otherwise Secure Areas, such as an office with restricted access, the Data must be secured in such a way as to prevent access by non-authorized staff such as janitorial or facility security staff, when authorized Contractor staff are not present to ensure that non-authorized staff cannot access it.
- 8.1.11. **Trusted Systems** include only the following methods of delivery: (1) hand-delivery by a person authorized to have access to the Confidential Information with written acknowledgement of receipt; (2) United States Postal Service ("USPS") first class mail, or USPS delivery services that include Tracking, such as Certified Mail, Express Mail or Registered Mail; (3) commercial delivery services (e.g. FedEx, UPS, DHL) which offer tracking and receipt confirmation; (4) secure fax; and (5) encrypted email.
- 8.1.12. **Trusted Network** means a network operated and maintained by the Contractor, which includes security controls sufficient to protect Client Data on that network. Controls would include usage of State of Washington Secure Email Portal, a firewall between any other networks, access control lists on networking devices such as routers and switches, and other such mechanisms which protect the confidentiality, integrity, and availability of the Data.
- 8.1.13. **Unique User ID** means a string of characters that identifies a specific user and which, in conjunction with a password, passphrase or other mechanism, authenticates a user to an information system.
- 8.2. **Confidentiality and Confidential Information** The parties shall not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Agreement for any purpose that is not directly connected with the performance of the services contemplated there under, except: As provided by law; or, in the case of Personal Information, as provided by law or with the prior written consent of the person or representative of the person who is the subject of the Personal Information. The parties shall protect and maintain all Confidential Information gained by reason of this Agreement against unauthorized use, access, disclosure, modification or loss. This duty requires the parties to employ measures and policies to be described in section 8, Information System Security and Protection of Personal Information. All Contractors and Subcontractors must:
- 8.2.1. Ensure the security of Confidential Information.

- 8.2.2. Use a trusted network.
- 8.2.3. Ensure that portable devices and portable media containing confidential client information, including but not limited to laptops and flash memory drives, are under the physical control of staff with authorized access to the data, even if the data is encrypted, when transporting data outside of a secure area. This also applies to emails and/or email attachments.
- 8.2.4. Encrypt all confidential client information when transporting data outside of a secure area.
- 8.3. **Administrative Controls** The Contractor must have the following controls in place:
 - 8.3.1. A documented security policy governing the secure use of its computer network and systems, and which defines sanctions that may be applied to Contractor staff for violating that policy.
 - 8.3.2. If the Data shared under this agreement is classified as Category 4 data, the Contractor must be aware of and compliant with the applicable legal or regulatory requirements for that Category 4 data.
 - 8.3.3. If Confidential Information shared under this agreement is classified as Category 4, the Contractor must have a documented risk assessment for the system(s) housing the data.
- 8.4. **Authorization, Authentication, and Access** In order to ensure that access to the Data is limited to authorized staff, the Contractor must:
 - 8.4.1. Have documented policies and procedures governing access to systems with the shared Data.
 - 8.4.2. Restrict access through administrative, physical, and technical controls to authorized staff.
 - 8.4.3. Ensure that the user accounts are unique and that any given user account logon ID and password combination is known only to the one employee for whom that account is assigned. For purpose of non-repudiation, it must always be possible to determine which employee performed a given action on a system housing the Data based solely on the logon ID used to perform the action.
 - 8.4.4. Ensure that only authorized users are capable of accessing the Data.
 - 8.4.5. Ensure that an employee's access to the Data is removed immediately:
 - a. Upon suspected compromise of the user credentials
 - b. When their employment or the contract under which the Data is made available to them is terminated
 - c. When they no longer need access to the Data to fulfill the requirements of the contract.
 - 8.4.6. Have process to periodically review and verify that only authorized users have access to systems containing Client Confidential Information.
 - 8.4.7. When accessing the Data from within the Contractor's network (the Data stays within the Contractor's network at all times), enforce password and logon requirements for users within the Contractor's network including:
 - a. That a password does not contain a user's name, logon ID, or any form of their full name.
 - b. That a password does not consist of a single dictionary word. A password may be formed as a passphrase which consists of multiple dictionary words.

- c. That passwords are significantly different from the previous 4 passwords. Passwords that increment by simply adding a number are not considered significantly different.
- 8.4.8. When accessing Confidential Information from an external location (the Data will traverse the Internet or otherwise travel outside of the Contractor's network), mitigate risk and enforce password and logon requirements for users by employing measures including:
- a. Ensuring mitigations applied to the system don't allow end-user modification.
 - b. Not allowing the use of dial-up connections.
 - c. Using industry standard protocols and solutions for remote access. Examples would include RADIUS and Citrix.
 - d. Encrypting all remote access traffic from the external workstation to Trusted Network or to a component within the Trusted Network. The traffic must be encrypted at all times while traversing any network, including the Internet, which is not a Trusted Network.
 - e. Ensuring that the remote access system prompts for re-authentication or performs automated session termination after no more than 30 minutes of inactivity.
 - f. Passwords or PIN codes may meet a lesser standard if used in conjunction with another authentication mechanism, such as biometric (fingerprint, facial recognition, iris scan, etc.) or token (software, hardware, smart card, etc.) in that case:
 - i. The PIN or password must be at least 5 letters or numbers when used in conjunction with at least one other authentication factor.
 - ii. Must not be comprised of all the same letter or number (i.e. 1111, etc.).
 - iii. Must not contain a "run" of 3 or more consecutive numbers (i.e. 1234, etc.).
 - g. If the contract specifically allows for the storage of Confidential Information on a Mobile Device, passcodes used on the device must:
 - i. Be a minimum of six alphanumeric characters.
 - ii. Contain at least three unique character classes (i.e. upper, lower case, number).
 - iii. Not contain more than a three consecutive character run (i.e. 1234 or abc123).
 - i. Render the device unusable after a maximum of 10 failed logon attempts.

8.5. **Protection of Data** The Contractor agrees to store Data on one or more of the following media and protect the Data as described:

- 8.5.1. **Hard disk drives** For Data stored on local workstation hard disks, access to the Data will be restricted to Authorized User(s) by requiring logon to the local workstation using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards.
- 8.5.2. **Network server disks** For Data stored on hard disks mounted on network servers and made available through shared folders access to the Data will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on disks mounted to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.

For Client/County Confidential Information stored on these disks, deleting unneeded Data is sufficient as long as the disks remain in a Secured Area and otherwise meet the requirements listed in the above paragraph. Destruction of the Data as outlined in sub section 8.11 Data Disposition may be deferred until the disks are retired, replaced, or otherwise taken out of the Secured Area.

- 8.5.3. **Optical discs (CDs or DVDs) in local workstation optical disc drives** Data provided by the County on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secured Area. When not in use for contracted purposes, such discs must be locked in a drawer, cabinet or other container to which only Authorized Users have the key, combination or mechanism required to access the contents of the container. Workstations which access Client Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- 8.5.4. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers** Data provided by the County on optical discs which will be attached to network servers and which will not be transported out of a Secured Area. Access to Data on these discs will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- 8.5.5. **Paper documents** Any paper records must be protected by storing the records in a Secured Area which is only accessible to authorized personnel. When not in use, such records must be stored in a secure area and/or locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.
- 8.5.6. **Remote Access** Access to and use of the Data will be controlled by Contractor IT staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password). Contractor will notify the County immediately whenever an Authorized User in possession of such credentials is terminated or otherwise leaves the employ of the Contractor, and whenever an Authorized User's duties change such that the Authorized User no longer requires access to perform work for this Agreement.
- 8.5.7. **Data storage on portable devices or media** Except where otherwise specified herein, Client/County Data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the terms and conditions of this Agreement. If so authorized, the Data shall be given the following protections:
 - a. Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as physical token or biometrics.
 - b. Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity if this feature is available. Maximum period of inactivity is 20 minutes.
- 8.5.8. Apply administrative and physical security controls to Portable Devices and Portable Media by:
 - a. Keeping them in a Secure Area when not in use
 - b. Using check-in/check-out procedures when they are shared and
 - c. Taking frequent inventories.

8.5.9. When being transported outside of a Secure Area, Portable Devices and Portable Media with Client Confidential Information must be under the physical control of Contractor staff with authorization to access the Data, even if the Data is encrypted.

8.6. Data stored for backup purposes

8.6.1. Client/County Confidential Information/Data may be stored on portable media as part of a Contractor's existing, documented backup process for business continuity or disaster recovery purposes. Such storage is authorized until such time as that media would be reused during the course of normal backup operations. If backup media is retired while Client/County Confidential Information/Data still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements in subsection 8.10 Data Disposition.

8.6.2. Client/County Data may be stored on non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of Contractor's existing, documented backup process for business continuity or disaster recovery purposes. If so, such media will be protected as otherwise described in this Section. If this media is retired while Client/County Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements in subsection 8.10 Data Disposition.

8.7. Cloud Storage Client/County Confidential Information requires protections equal to or greater than those specified elsewhere within this exhibit. Cloud storage of Data is problematic as neither the County nor the Contractor have control of the environment in which the Data is stored. For this reason:

8.7.1. Client/County Data will not be stored on any consumer grade Cloud solution, unless all of the following conditions are met:

- a. Contractor has written procedures in place governing the use of the Cloud storage and the Contractor attests in writing that all such procedures will be uniformly followed
- b. The Data will be encrypted while within the Contractor network
- c. The Data will remain encrypted during transmission to the Cloud
 - i. The Data will remain encrypted at all times while residing within the Cloud storage solution.
 - ii. The Contractor will possess a decryption key for the Data, and the decryption key will be possessed only by the Contractor and/or the County.
 - iii. The Data will not be downloaded to non-authorized systems, meaning systems that are not either the County or Contractor networks.
 - iv. The Data will not be decrypted until downloaded onto a computer within the control of an Authorized User and within either the County or Contractor's network.

8.7.2. Data will not be stored on an Enterprise Cloud storage solution unless either:

- a. The Cloud storage provider is treated as any other Sub-Contractor and agrees in writing to all of the requirements within this exhibit, or
- b. The Cloud storage solution used is FedRAMP certified

8.7.3. If the Data includes protected health information (PHI) covered by HIPPA, the Cloud provider must sign a Business Associate Agreement prior to Data being stored in their Cloud solution.

8.8. System Protection To prevent compromise of systems which contain Client/County Data or through which that Data passes:

- 8.8.1. Systems containing Client/County Data must have all security patches or hotfixes applied within 3 months of being made available.
- 8.8.2. The Contractor will have a method of ensuring that the requisite patches and hotfixes have been applied within the required timeframes.
- 8.8.3. Systems containing Client/County Data shall have an Anti-Malware application installed.
- 8.8.4. Anti-Malware software shall be kept up to date. The product, its anti-virus engine, and any malware database the system uses, will be no more than one update behind current.

8.9. Data Segregation

- 8.9.1. Client/County Data must be segregated or otherwise distinguishable from non-Client/County data. This is to ensure that when no longer needed by the Contractor, all Client/County Data can be identified for return or destruction. It also aids in determining whether Client/County Data has or may have been compromised in the event of a security breach. As such, one or more of the following methods will be used for data segregation.
- 8.9.2. Client/County Data will be kept on media (i.e. hard disk, optical disc, tape, etc.) which will contain no non-Client/County Data and/or
- 8.9.3. Client/County Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to Client/County Data and/or,
- 8.9.4. Client/County Data will be stored in a database which will contain no non- Client/County data and/or,
- 8.9.5. Client/County Data will be stored within a database and will be distinguishable from non-Client/County data by the value of a specific field or fields within database records.
- 8.9.6. When stored as physical paper documents, Client/County Data will be physically segregated from non- Client/County data in a drawer, folder, or other container.
- 8.9.7. When it is not feasible or practical to segregate Client/County Data from non-Client/County data, then both the Client/County Data and the non- Client/County data with which it is commingled must be protected as described in this Section.

8.10. **Data Disposition** When the Agreement work has been completed or when the Data is no longer needed, Data shall be returned to the County or destroyed. Media on which Data may be stored and associated acceptable methods of destruction are as follows:

Data stored on:	Will be destroyed by:
Server or workstation hard disks, or Removable media (e.g. floppies, USB flash drives, portable hard disks) excluding optical discs	Using a “wipe” utility which will overwrite the Data at least three (3) times using either random or single character data, or Degaussing sufficiently to ensure that the Data cannot be reconstructed, or Physically destroying the disk
Paper documents with sensitive or Confidential Information	Recycling through a contracted firm provided the contract with the recycler specifies that the confidentiality of Data will be protected, and the information destroyed through the process.
Paper documents containing Confidential Information requiring special handling (e.g. protected health information)	On-site shredding, pulping, or incineration

Optical discs (e.g. CDs or DVDs)	Incineration, shredding, or completely defacing the readable surface with a course abrasive
Magnetic tape	Degaussing, incinerating or crosscut shredding

- 8.11. **Notification of Compromise or Potential Compromise** The compromise or potential compromise of County shared Data must be reported to the County within one (1) business day of discovery. The Contractor must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or by the County.
- 8.12. **Data shared with Subcontractors** If Client Data provided under this Contract is to be shared with a subcontractor, the Contract with the subcontractor must include all of the data security provisions within this Contract and within any amendments, attachments, or exhibits within this Contract. If the Contractor cannot protect the Data as articulated within this Contract, then the contract with the sub- Contractor must be submitted to the County Contact specified for this contract for review and approval.
- 8.13. **Breach of Section 8 Information System Security and Protection of Personal Information:** Any breach of this Section may result in termination of the Agreement and the demand for return of all records in connection with this Agreement. The Contractor agrees to indemnify and hold harmless Thurston and Mason Counties and the State of Washington for any damages related to the Contractor’s unauthorized use or disclosure of personal information.

9. Hold Harmless and Indemnification

- 9.1. To the fullest extent permitted by law, the Contractor agrees to indemnify, defend and hold the State of Washington and Thurston and Mason Counties, their elected and appointed officers, officials, employees, agents and volunteers, harmless from and against any and all “Claims” by any and all persons or entities which (1) are caused in whole or in part by any act or omission, negligent or otherwise, of the Contractor, its employees, former employees, agents, representatives, volunteers, partners, shareholders, subcontractors in any tier or anyone for whose acts any of them may be liable, or (2) are directly or indirectly arising out of, resulting from, or in connection with the performance or failure to perform under this Agreement. This indemnification obligation of the Contractor shall not apply in the limited circumstance where the Claims are caused by the sole negligence of the County. “Claims” shall include, but not be limited to, claims, demands, actions, suits, liabilities, losses, damages, judgments, and expenses, including without limitation court and appeal costs, alternative dispute resolution costs, attorneys’ fees, and expert witnesses fees and costs, of any nature whatsoever, and assertions that information supplied or used by the Contractor or subcontractors in any tier violates or infringes any patent, proprietary information, copyright, trademark, trade name, service mark or otherwise results in an unfair trade practice.
- 9.2. The hold harmless and indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Contractor or subcontractor in any tier under the Washington State Industrial Insurance Act, [Title 51 RCW](#), or by application of any other workers’ compensation act, disability benefit act, or other employee benefit act, it being clearly agreed and understood by the parties hereto that the Contractor expressly waives any immunity the Contractor might have had under such acts. **By executing the Agreement, the Contractor acknowledges that the foregoing waiver has been mutually negotiated by the parties.** The Contractor shall similarly require that each subcontractor it retains in connection with this Agreement comply with the terms of this subsection, waive any immunity granted under Title 51 RCW, and assume all liability for actions brought by employees of the subcontractor.

- 9.3. The Contractor's hold harmless and indemnification obligations hereunder shall include, but are not limited to, investigating, adjusting and defending all Claims.
- 9.4. In the event the Contractor enters into subcontracts if authorized under this Agreement, the Contractor's subcontractors in any tier shall indemnify the state of Washington and Thurston and Mason Counties on a basis equal to or exceeding the Contractor's indemnity obligations to the state of Washington and Thurston and Mason Counties.
- 9.5. The Contractor agrees all Contractor's hold harmless and indemnity obligations shall survive the completion, expiration or termination of this Agreement.

10. Third Party Claims Handling

- 10.1. A party seeking indemnification for a Claim ("Indemnified Party") shall promptly notify the other party from whom indemnification is sought ("Indemnifying Party") in writing of any Claim asserted against it. The notice shall include a copy of the Claim, and any summons, process, pleading or notice issued in any lawsuit or Claim.
- 10.2. The Indemnifying Party reserves the right to control the investigation, trial and defense of the Claim and any lawsuit, action (including all negotiations to effect settlement), and appeal arising from it and employ or engage attorneys of its own choice.
- 10.3. The Indemnified Party may, at its sole cost, participate in the investigation, trial and defense of the lawsuit or action and any appeal without waiving the Indemnifying Party's obligations under this Agreement.
- 10.4. The parties, their officers, employees, agents, and representatives shall fully cooperate in the defense of the Claim or lawsuit and shall provide one another all available information concerning the Claim.

11. Insurance

11.1. Contractor shall provide evidence of

11.1.1. **Commercial General Liability Insurance** using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional insured shall not be limited to its vicarious liability. The insurance policy must cover defense costs without affecting limits available for third party liability payments as required herein. Limits shall be no less than \$1,000,000 per occurrence for all covered losses and no less than \$2,000,000 general aggregate.

- a. The Contractor shall provide Commercial General Liability coverage which does not exclude any activity to be performed in the fulfillment of this Contract. Specialized forms specific to the industry of the Contractor will be deemed equivalent provided coverages is no more restrictive than would be provided under a standard Commercial General Liability policy, including contractual liability coverage.
- b. The Contractor's Commercial General Liability insurance shall include the County, its officers, officials, employees and agents as additional insureds with respect to performance of services and shall contain no specific limitations on the scope of protection afforded to the County as additional insured.

- c. The Contractor shall furnish the County with evidence that the additional insured provision required above has been met. An acceptable form of evidence is endorsement pages of the policy showing the County as additional insured.
- d. If the Contractor's liability coverage is written as claims made policy, then the Contract must evidence the purchase of an extended report period or "tail" coverage for a three-year period after project completion, or otherwise maintain the coverage for the three-year period.
- e. Contractor agrees to endorse third party liability coverage required herein to include the County, its officials, employees and agents, as additional insureds using ISO endorsement CG 20 10 with an edition date prior to 2004.
- f. The policy shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

11.1.2. **Workers' Compensation (Industrial Insurance)** Contractor shall maintain workers' compensation insurance as required by [Title 51 RCW](#), and shall provide evidence of coverage or exemption to the Thurston County Risk Management Division. Alternatively, the Contractor shall provide certification of approval by the Washington State Department of Labor and Industries if self-insured for Workers Compensation. Contractor domiciled out of state shall maintain coverage under applicable workers' compensation law and provide proof of coverage on a state-approved form.

11.1.3. **Business Auto Coverage** on ISO Business Auto Coverage form CA 00 01 including owned, non-owned and hired autos, or the exact equivalent. Limits shall be no less than \$1,000,000 per accident, combined single limit. If Contractor owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Contractor or Contractor's employees will use personal autos in any way on this project, Contractor shall obtain evidence of personal auto liability coverage for each such person.

11.1.4. **Excess or Umbrella Liability Insurance** (Over Primary), if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Such policy or policies shall include as insureds those covered by the underlying policies, including additional insureds. Coverage shall be "pay on behalf", with defense costs payable in addition to policy limits. There shall be no cross-liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to the state of Washington and Thurston and Mason Counties for injury to employees of Contractor, subcontractors or others involved in the performance of services under this Agreement. The scope of coverage provided is subject to approval by the County following receipt of proof of insurance as required herein.

11.1.5. **Professional Legal Liability** on a policy form appropriate to Contractor's profession. Limits shall be no less than \$1,000,000 per claim. Coverage shall not exclude bodily injury or property damage. Coverage shall not exclude hazards related to the work rendered as part of the Agreement or within the scope of the Contractor's services as defined by this Agreement including testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the Agreement.

The coverage shall apply to liability for a professional error; act or omission arising out of the scope of the Contractor's services defined in this Contract. Coverage shall not exclude bodily injury or property damage. Coverages shall not exclude hazards related to the work rendered as part of the Contractor's services as defined by this Contract including testing, monitoring, measuring operations, or laboratory analysis where such services are rendered as part of the Contract.

11.1.6. If the Contractor is a government entity obtaining liability insurance, with equivalent coverage as required in subsections 11.1.1 and 11.1.3 through 11.1.5, obtained through a government risk pool approved by the state of Washington is a substitute form of coverage acceptable to the County.

11.2. Other Insurance Requirements

11.2.1. The Contractor's liability insurance provisions shall be primary with respect to any insurance or self-insurance programs covering the County and its elected and appointed officers, official, employees and agents.

11.2.2. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County, its officers, officials, employees, agents or volunteers.

11.2.3. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

11.2.4. **The Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor.** All coverage for subcontractors shall be subject to all of the requirements stated herein.

11.2.5. The insurance limits mandated for any insurance coverage required by this Contract are not intended to be an indication of exposure nor are they limitations on indemnification.

11.2.6. The Contractor shall maintain all required policies in force from the time services commence until services are completed. Certificates, policies, and endorsements expiring before completion of services shall be promptly replaced.

11.2.7. Contractor agrees to waive rights of recovery against County regardless of the applicability of any insurance proceeds, and to require all indemnifying parties to do likewise.

11.2.8. All insurance coverage maintained or procured by Contractor or required of others by Contractor pursuant to this Contract shall be endorsed to delete the subrogation condition as to County or must specifically allow the named insured to waive subrogation prior to a loss.

11.2.9. All coverage types and limits required are subject to approval, modification and additional requirements by the County. Contractor shall not make any reductions in the scope or limits of coverage that may affect County's protection without County's prior written consent. The County reserves the right at any time during the term of the Contract to change the amounts and types of insurance required by giving the Contractor ninety days advance written notice of such change. If such change results in substantial additional cost to the Contractor, the County and the Contractor may renegotiate Contractor's compensation.

11.2.10. The parties acknowledge that all insurance coverage required to be provided by Contractor or indemnifying party shall apply first and on a primary non-contributing basis in relation to any other insurance or self-insurance available to County.

- 11.2.11. Contractor agrees not to self-insure or to use any self-insured retentions on any portion of the insurance required herein without the express agreement of the County and further agrees that it will not allow any indemnifying party to self-insure its obligations to County. If Contractor's existing coverage includes a self-insured retention, the self-insured retention must be declared to the County. The County may review options with the Contractor, which may include reduction or elimination of the self-insured retention, substitution of other coverage, or other solutions.
- 11.2.12. The limits of insurance above shall be minimum requirements. The insurance limits are not intended to be an indication of exposure nor are they limitations on indemnification. Should the Contractor or a subcontractor in any tier maintain insurance with limits of liability that exceed the required limits or coverage that is broader than as outlined above, those higher limits and broader coverage shall be deemed to apply for the benefit of any person or organization included as an additional insured, and those limits shall become the required minimum limits of insurance of this Contract.

11.3. Verification of Coverage and Acceptability of Insurers

- 11.3.1. The Contractor shall place insurance with insurers licensed to do business in the state of Washington and having A.M. Best Company ratings of no less than A-, with the exception that excess and umbrella coverage used to meet the requirements for limits of liability or gaps in coverage need not be placed with insurers or re-insurers licensed in the state of Washington.
- 11.3.2. Certificates of Insurance shall show the Certificate Holder as Thurston County and include c/o the Office or Department issuing the Contract. The address of the Certificate Holder shall be shown as the current address of the Office or Department.
- 11.3.3. Proof of compliance with these insurance requirements, consisting of endorsements and certificates of insurance, shall be delivered to the County prior to the execution of this Contract. If such proof of insurance is not delivered as required, or if such insurance is canceled at any time and no replacement coverage is provided, the County may, in its sole discretion, obtain any insurance it deems necessary to protect its interests. Any premium so paid by the County shall be charged to and promptly paid by the Contractor or deducted from sums due to the Contractor.
- 11.3.4. The Contractor shall maintain the required coverage during the entire term of this Contract. Coverage for activities under the Contract shall not be affected if the Contract is canceled or terminated for any reason.
- 11.3.5. The Contractor shall furnish the County with properly executed certificate of insurance or signed policy endorsement which shall clearly evidence all insurance required in this section prior to commencement of services. The certificate will, at minimum, list limits of liability coverage. The certificate will provide that the underlying insurance contract will not be canceled or allowed to expire except on thirty (30) days prior written notice to the County.
- 11.3.6. The Contractor or its broker shall provide a copy of any and all insurance policies specified in this Contract to the Thurston County Risk Management Division.

11.3.7. Written notice of cancellation or change shall reference the project name and contract number and shall be mailed to the County at the following address:

ATTN: Risk Analyst
Human Resources
2000 Lakeridge Drive SW
Olympia, WA 98502

12. Termination

- 12.1. The County may terminate this Agreement for convenience in whole or in part whenever the County, in its sole discretion determines that such termination is in the best interest of the County. The County may terminate this Agreement upon giving thirty (30) calendar days written notice by certified mail to the Contractor. In that event, the County shall pay the Contractor for all costs incurred by the Contractor in performing the Agreement up to the termination date specified in the notice. Payment shall be made in accordance with Section 6 of this Agreement.
- 12.2. In the event that funding for this project is withdrawn, reduced or limited in any way after the effective date of this Agreement and prior to normal completion, the County may elect to suspend or terminate this Agreement in whole or in part, as a termination for convenience with a ten day calendar notice to Contractor, to the extent possible, subject to renegotiation at the County's discretion under those new funding limitations and conditions. Termination or suspension under this paragraph shall be effective upon the date specified in the written notice of termination or suspension sent by the County to the Contractor. After the effective date, no charges incurred under this Agreement are allowable.
- 12.3. Notwithstanding any provision to the contrary, funding under this Agreement beyond the current appropriation year is conditional upon the appropriation by the Board of County Commissioners of sufficient funds to support the work described in this Agreement. Should such an appropriation not be approved, this Agreement shall terminate at the close of the current appropriation year, and the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Agreement after the date of termination.
- 12.4. If the Contractor breaches any of its obligations hereunder, and fails to cure the breach within ten (10) calendar days of written notice to do so by the County, the County may terminate this Agreement, in which case the County shall pay the Contractor only for the costs of services accepted by the County, in accordance with Section 6 of this Agreement. Upon such termination, the County, at its discretion, may obtain performance of the work elsewhere, and the Contractor shall bear all costs and expenses incurred by the County in completing the work and all damage sustained by the County by reason of the Contractor's breach. If, subsequent to termination, it is determined for any reason that (1) the Contractor was not in default, or (2) the Contractor's failure to perform was not its fault or its subcontractor's fault or negligence, the termination shall be deemed to be a termination for convenience.
- 12.5. The Contractor may terminate this Agreement for convenience in whole or in part whenever the Contractor, in its sole discretion determines that such termination is in the best interest of the Contractor. The Contractor may terminate this Agreement upon giving thirty (30) calendar days written notice by certified mail to the County and to all clients currently receiving services from the Contractor. The Contractor agrees to return all confidential client data to the County or dispose of all confidential client data in accordance with the data disposition policies outlined in Section 8 and in Exhibit A of this Agreement. The Contractor shall provide verification in writing that all confidential client data has been properly disposed or returned to the County. In the event of termination of the Agreement at the Contractor's request, the County shall pay the Contractor for all costs incurred by the Contractor in performing the Agreement up to the termination date

specified in the notice. Payment shall be made in accordance with Section 6 of this Agreement.

13. Assignment, Delegation and Subcontracting

- 13.1. The Contractor shall perform the terms of the Agreement using only its bona fide employees or agents who have the qualifications to perform under this Agreement. The obligations and duties of the Contractor under this Agreement shall not be assigned, delegated, or subcontracted to any other person or firm, with the exception of Technical Assistance or Individual Technical Assistance Providers, without the prior express written consent of the County. Any work or services assigned or subcontracted for hereunder shall be subject to each provision of this Agreement.
- 13.2. The Contractor warrants that it has not paid nor has it agreed to pay any company, person, partnership, or firm, other than a bona fide employee working exclusively for Contractor, any fee, commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

14. Non-Waiver of Rights

The parties agree that the excuse or forgiveness of performance or waiver of any provision(s) of this Agreement does not constitute a waiver of such provision(s) or future performance, or prejudice the right of the waiving party to enforce any of the provisions of this Agreement at a later time.

15. Independent Contractor

- 15.1. The Contractor's services shall be furnished by the Contractor as an Independent Contractor and not as an agent, employee or servant of the County. The Contractor specifically has the right to direct and control Contractor's own activities in providing the agreed services in accordance with the specifications set forth in this Agreement.
- 15.2. The Contractor acknowledges that the method for compensation for this Agreement is set forth in Section 6, Approval of Fees, Billing and Payment, of this Agreement and the Contractor is not entitled to any County benefits, including, but not limited to: vacation pay, holiday pay, sick leave pay, medical, dental, or other insurance benefits, fringe benefits, or any other rights or privileges afforded to Thurston County employees.
- 15.3. The Contractor shall have and maintain complete responsibility and control over all of its subcontractors, employees, agents and representatives. No subcontractor, employee, agent, or representative of the Contractor shall be or deem to be or act or purport to act as an employee, agent, or representative of the County.
- 15.4. The Contractor shall assume full responsibility for the payment of all payroll taxes, use, sales, income or other form of taxes, fees, licenses, excises, or payments required by any city, county, federal or state legislation which is now or may during the term of this Agreement be enacted as to all persons employed by the Contractor and as to all duties, activities and requirements by the Contractor in performance of this Agreement.
- 15.5. The Contractor agrees to immediately remove any of its employees, representatives, or agents from assignment to perform services under this Agreement upon receipt of a written request to do so from the County's representative or designee.

16. Inspection of Books and Records and Retention

The County or its authorized representatives may, at reasonable times, inspect and audit the books and records of the Contractor relating to the performance of this Agreement. This includes work of Contractor, any subcontractor or any other person or entity that performed connected or related work under this Agreement. Such inspection and audit shall occur in Thurston County, Washington, or other reasonable locations that the County selects. The Contractor shall supply or permit the County to copy such books and records. The Contractor shall ensure that inspection, audit and copying rights of the County is a condition of any subcontract, agreement or other arrangement under which any other persons or entity may perform work under this Agreement. The Contractor shall keep all books and records required by this Agreement for six years after termination or expiration of this Agreement. This Section shall survive the termination or expiration of this Agreement. If any litigation, claim, or audit is commenced, the records and accounts along with supporting documentation shall be retained until all litigation, claim, or audit finding has been resolved even though such litigation, claim, or audit continues past the six-year retention period.

17. Nondiscrimination

The Contractor, its assignees, delegates or subcontractors shall not discriminate against any person in the performance of any of its obligations hereunder on the basis of race, color, creed, ethnicity, religion, national origin, age, sex, marital status, veteran or military status, sexual orientation or the presence of any disability. Implementation of this provision shall be consistent with RCW 49.60.400.

18. Ownership of Materials/Work Produced

Material produced in the performance of the work under this Agreement shall be “work made for hire” as defined by the U.S. Copyright Act of 1976, as amended, and shall be owned by the County. This material includes, but is not limited to, data, books, computer programs, plans, specifications, documents, films, pamphlets, reports, drawings, all forms of electronic media, sound reproductions, studies, surveys, tapes, and/or training materials. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights. Material which the Contractor uses to perform this Agreement but is not created for or paid for by the County is owned by the Contractor and is not “work made for hire”; however, the County shall have a perpetual license to use this material for County internal purposes at no charge to the County, provided that such license shall be limited to the extent which the Contractor has a right to grant such a license.

An electronic copy of all or a portion of material produced shall be submitted to the County upon request or at the end of the job using the software or program and version specified by the County.

19. Disputes

Differences between the Contractor and the County, arising under and by virtue of this Agreement, shall be brought to the attention of the County at the earliest possible time in order that such matters may be settled, or other appropriate action can be promptly taken. Any dispute relating to the quality or acceptability of performance or compensation due the Contractor shall be decided by the County’s Contract representative or designee. All rulings, orders, instructions and decisions of the County’s Contract representative shall be final and conclusive, subject to the Contractor’s right to seek judicial relief pursuant to Section 20.

20. Choice of Law, Jurisdiction and Venue

20.1. This Agreement has been and shall be construed as having been made and delivered within the state of Washington and it is agreed by each party hereto that this Agreement shall be governed

by the laws of the state of Washington, both as to its interpretation and performance.

20.2. Any action at law, suit in equity, or judicial proceeding arising out of this Agreement shall be instituted and maintained only in any of the courts of competent jurisdiction in Thurston County, Washington.

21. Severability

21.1. If a court of competent jurisdiction holds any part, term or provision of this Agreement to be illegal, or invalid in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

21.2. If any provision of this Agreement is in direct conflict with any statutory provision of the state of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict and shall be deemed modified to conform to such statutory provision.

21.3. Should the County determine that the severed portions substantially alter this Agreement so that the original intent and purpose of this Agreement no longer exists, the County may, in its sole discretion, terminate this Agreement.

22. Entire Agreement

This Agreement consists of the General Terms and Conditions, all exhibits and attachments incorporated herein by reference, requests for proposal or qualifications and any addenda thereto, and the Contractor's response. The parties agree that this Agreement is the complete expression of its terms and conditions. Any oral or written representations or understandings not incorporated in this Agreement are specifically excluded.

23. Notices

Any notices shall be effective if personally served upon the other party or if mailed by registered or certified mail, return receipt requested, to the addresses set out in Page 1. Notice shall be deemed to be given three days following the date of mailing or immediately if personally served.

24. Survivability

The terms and conditions contained in this Agreement which, by their sense and context, are intended to survive the completion, expiration or termination of this Agreement shall survive. Surviving terms include but are not limited to: Information System Security and Protection of Personal Information, Hold Harmless and Indemnification, Third Party Claims Handling, Termination, Inspection of Books and Records Retention, Ownership of Materials/Work Produced, Disputes, Choice of Law, Jurisdiction and Venue, Confidentiality and Severability.

Exhibit A

THIS BUSINESS ASSOCIATE AGREEMENT (the "Addendum") is effective this 1st day of January, 2022 (the "Effective Date") between **Thurston County** ("Covered Entity"), and **NAME OF AGENCY** ("Business Associate").

RECITALS

WHEREAS, Covered Entity and Business Associate are parties entering into a Professional Services Agreement dated 1/1/2022 and incorporated herein by reference (the "Underlying Agreement") pursuant to which Business Associate will provide individual life skills and behavioral support counseling and such services involve the use and disclosure of Individually Identifiable Health Information that is subject to protection under HIPAA and the HIPAA Rules (all as hereinafter defined); and

WHEREAS, Business Associate has created and maintains security safeguards for the protection from unlawful disclosure of Protected Health Information (as hereinafter defined); and

WHEREAS, Covered Entity and Business Associate desire compliance with the Standards for Privacy of Individually Identifiable Health Information set forth under the HIPAA and the HIPAA Privacy Rule;

NOW, THEREFORE, for and in consideration of the recitals above and the mutual covenants and conditions herein contained, Covered Entity and Business Associate enter into the following Addendum to provide a full statement of their respective responsibilities as more fully described below:

ARTICLE 1

DEFINITIONS

Definitions. Unless otherwise provided herein terms used shall have the same meaning as set forth in HIPAA and the HIPAA Rules.

- 1.1 **"Addendum"** means this Business Associate Agreement Addendum.
- 1.2 **"Business Associate"** as used in this Addendum means the Business Associate named in this Addendum and generally has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. Any reference to Business Associate in this Addendum includes Business Associate's employees, agents, officers, subcontractors, volunteers, or directors.
- 1.3 **"C.F.R."** means and refers to the Code of Federal Regulations.
- 1.4 **"Covered Entity"** means Thurston County, a Covered Entity as defined at 45 C.F.R. § 160.103, in its conduct of covered functions by its health care components.
- 1.5 **"Designated Record Set"** means a group of records maintained by or for a Covered Entity that is: the medical records and billing records about Individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or used, in whole or in part, by or for the Covered Entity to make decisions about Individuals.
- 1.6 **"Electronic Protected Health Information" or "EPHI"** means Protected Health Information that is transmitted by electronic media or maintained in electronic media.
- 1.7 **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, Pub.L. No. 104-191, as amended by the Health Information Technology for Economic and Clinical Health (HITECH) Act, enacted as Title XIII of The American Recovery and Reinvestment Act of 2009, H.R. 1, Pub.L. 111-5 (February 17, 2009), as amended or superseded, and any current and future regulations promulgated under HIPAA.

- 1.8** **“HIPAA Rules”** means the Privacy, Security, Enforcement, and Breach Notification Rules at 45 C.F.R. Part 160 and Part 164, in effect or as amended.
- 1.9** **“Individual”** means the person who is the subject of Protected Health Information and includes a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- 1.10** **“Material Alteration”** means any addition, deletion or change to the PHI of any subject other than the addition of indexing, coding and other administrative identifiers for the purpose of facilitating the identification or processing of such information.
- 1.11** **“Privacy Rule”** means the Privacy Standards at 45 C.F.R. Part 164, Subpart E, in effect or as amended.
- 1.12** **“Protected Health Information” or “PHI”** means individually identifiable health information created, received, maintained or transmitted by Business Associate on behalf of a health care component of the Covered Entity that relates to the provision of health care to an Individual; the past, present, or future physical or mental health or condition of an Individual; or the past, present, or future payment for provision of health care to an Individual. 45 C.F.R. § 160.103. PHI includes demographic information that identifies the Individual or about which there is reasonable basis to believe can be used to identify the Individual. 45 C.F.R. § 160.103. PHI is information transmitted or held in any form or medium and includes Electronic Protected Health Information. 45 C.F.R. § 160.103. PHI does not include education records covered by the Family Educational Rights and Privacy Act, as amended, 20 USCA 1232g (a)(4)(B)(iv) or employment records held by a Covered Entity in its role as employer.
- 1.13** **“Security Rule”** means the Security Standards at 45 C.F.R. Part 164, Subparts A and C, in effect or as amended.
- 1.14** **“Subcontractor”** as used in this Addendum means a Business Associate that creates, receives, maintains, or transmits Protected Health Information on behalf of another Business Associate.
- 1.15** **“Underlying Agreement”** means Professional Services Agreement and all accompanying documents.

ARTICLE 2

SCOPE OF USE OF PHI

- 2.1** **Services.** Except as otherwise specified herein, the Business Associate may use PHI solely to perform its duties as set forth in the Underlying Agreement. Except as otherwise limited in this Addendum, Business Associate may use and disclose PHI for the proper management and administration of the Business Associate, to carry out the legal responsibilities of the Business Associate and to provide any data aggregation services pursuant to the Underlying Agreement.
- 2.1.1** Business Associate may disclose PHI for the purposes pursuant to the Underlying Agreement only to its employees, subcontractors and agents, in accordance with Section 2.3.4 as directed by the Covered Entity.
- 2.1.2** Except as otherwise limited in this Addendum, Business Associate may disclose PHI for the proper management and administration of the Business Associate, provided that such disclosures are required by law or Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that the PHI will remain confidential and used or further disclosed only as required by law or for the purpose for which the PHI was disclosed to the person, the person implements reasonable and appropriate security

measures to protect the PHI, and the person notifies the Business Associate of any instances of which it is aware where the confidentiality of the PHI has been breached.

2.2 Breach or Misuse of PHI. Business Associate recognizes that any breach of confidentiality or misuse of information found in and/or obtained from records may result in the termination of the Underlying Agreement and this Addendum and/or legal action. Unauthorized disclosure of PHI may give rise to irreparable injury to the Individual or to the owner of such information, and the Individual or owner of such information may seek legal remedies against Business Associate.

2.3 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, the Business Associate hereby agrees to do the following:

2.3.1 Use and/or disclose PHI only as permitted or required by this Addendum, HIPAA and HIPAA Rules, or as otherwise permitted or required by law. Business Associate agrees that it will not use or disclose PHI in any manner that violates federal law, including but not limited to HIPAA and any regulations enacted pursuant to its provisions, or applicable provisions of Washington State law. The Business Associate agrees that it is subject to and directly responsible for full compliance with the Privacy Rule that applies to the Business Associate to the same extent as the Covered Entity.

2.3.2 Use commercially reasonable efforts to maintain the security of the PHI and to prevent unauthorized use and/or disclosure of such PHI, including, but not limited to the following:

Any files on location at the agency must be kept in locked cabinets. Any client information transported must be kept from unauthorized access at all times.

In addition, the Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of all Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of the Covered Entity in accordance with 45 C.F.R. Part 164, subpart C for as long as the PHI is within its possession and control, even after the termination or expiration of this Addendum. The Business Associate agrees that it is subject to and directly responsible for full compliance with the HIPAA Security Rule that applies to Business Associates, including sections 164.308, 164.310, 164.312, and 164.316 of title 45 C.F.R., to the same extent as the Covered Entity.

2.3.3 Business Associate shall apply the HIPAA Minimum Necessary standard to any use or disclosure of PHI necessary to achieve the purposes of the Underlying Agreement. See 45 C.F.R. 164.514(d)(2) through (d)(5).

2.3.4 Require all of its employees, representatives, subcontractors and agents that create, receive, maintain, or transmit PHI or use or have access to PHI under the Underlying Agreement to agree in writing to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply herein, including the obligation to return or destroy the PHI if feasible, as provided under Sections 5.4 and 5.5 of this Addendum.

2.3.5 Promptly report to the designated privacy officer of the Covered Entity, any use and/or disclosure of the PHI that is not permitted or required by this Addendum by telephoning the privacy officer within twenty-four (24) hours of becoming aware of it, and providing a written report of the unauthorized disclosure within five (5) business days.

The name and contact information for the Covered Entity's privacy officer is:

Tammy Devlin,

(360) 786-5498, devlint@co.thurston.wa.us

929 Lakeridge Drive SW, Building 4, Room 202,

- 2.3.6** Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Addendum or the law.
- 2.3.7** Within twenty-four (24) hours of the discovery of a breach as defined at 45 C.F.R. § 164.402 notify the Covered Entity's privacy officer of any breach of unsecured PHI and take actions as may be necessary to identify, mitigate and remediate the cause of the breach. A breach shall be treated as discovered by the Business Associate in accordance with the terms of 45 C.F.R. § 164.410. The notification shall include the following information which shall be updated promptly and provided to the Covered Entity as requested by the Covered Entity:
- a.** the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been accessed, acquired, used, or disclosed during such breach;
 - b.** a brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;
 - c.** a description of the types of unsecured PHI that were involved in the breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
 - d.** any steps individuals should take to protect themselves from potential harm resulting from the breach;
 - e.** a brief description of what the Business Associate is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches;
 - f.** contact procedures of the Business Associate for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address; and
 - g.** any other information required to be provided to the individual by the Covered Entity pursuant to 45 C.F.R. § 164.404, as amended.

To the extent the Covered Entity deems warranted, the Covered Entity may provide notice or may require Business Associate to provide notice at Business Associate's expense to any or all individuals whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used, or disclosed as a result of such breach. In such case, the Business Associate shall consult with the Covered Entity regarding appropriate steps required to notify third parties. The Business Associate shall reimburse the Covered Entity, without limitation, for all costs of investigation, dispute resolution, notification of individuals, the media, and the government, and expenses incurred in responding to any audits or other investigation relating to or arising out of a breach of unsecured PHI by the Business Associate.

- 2.4 Covered Entity Obligations.** With regard to the use and/or disclosure of PHI by the Business Associate, the Covered Entity hereby agrees to:

- 2.4.1 Provide the Business Associate a copy of the notice of privacy practices that the Covered Entity provides to Individuals pursuant to 45 C.F.R. § 164.520 by attaching it to this Addendum (Attachment A), and inform the Business Associate of any changes in the form of the notice;
- 2.4.2 Inform the Business Associate of any changes in, or withdrawal of, the authorization provided to the Covered Entity by Individuals whose PHI may be used and/or disclosed by Business Associate under the Underlying Agreement pursuant to 45 C.F.R. § 164.508; and
- 2.4.3 Notify the Business Associate, in writing and in a timely manner, of any restrictions on the use and/or disclosure of PHI agreed to by the Covered Entity in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

ARTICLE 3

AMENDMENT OF PHI

- 3.1 **Amendments by Business Associate.** Should Business Associate make any Material Alteration to PHI, Business Associate shall provide Covered Entity with notice of each Material Alteration to any PHI and shall promptly cooperate with Covered Entity in responding to any request made by any subject of such information to Covered Entity to inspect and/or copy such information. Business Associate shall not deny Covered Entity access to any such information if, in Covered Entity's sole discretion, such information must be made available to the subject seeking access to it. To the extent that Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 within twenty (20) days of the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity.
- 3.2 **Amendments Requested by Covered Entity.** Business Associate shall promptly incorporate all amendments or corrections to PHI when notified by Covered Entity that such information is inaccurate or incomplete.

ARTICLE 4

AVAILABILITY, ACCOUNTING OF DISCLOSURES, AUDITS AND INSPECTIONS

- 4.1 **Availability of PHI.** To the extent Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make PHI available to Covered Entity or, as directed by Covered Entity, to an Individual, within twenty (20) days of the request of the Covered Entity and in the manner designated by Covered Entity in accordance with 45 C.F.R. § 164.524.
- 4.2 **Accounting of Disclosures.** Business Associate agrees to make available the information required to provide an accounting of disclosures in accordance with 45 C.F.R. § 164.528. Business Associate will provide such accounting of disclosures to Covered Entity as soon as possible, but at least twenty (20) days from request by Covered Entity. Each accounting shall provide (i) the date of each disclosure; (ii) the name and address of the organization or person who received the PHI; (iii) a brief description of the PHI disclosed; and (iv) the purpose for which the PHI was disclosed, including the basis for such disclosure, or a copy of a written request for disclosure under §§ 164.502(a)(2)(ii) or 164.512. Business Associate shall maintain a process to provide the accounting of disclosures for as long as Business Associate maintains PHI received from or on behalf of Covered Entity.
- 4.3 **Access to Department of Health and Human Services.** Business Associate shall make its facilities, internal practices, books, records, documents, electronic data and all other business

information relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary of the Department of Health and Human Services, governmental officers and agencies within five (5) business days of written request by the Covered Entity for the purpose of determining compliance with HIPAA .

- 4.4 Access to Covered Entity.** Upon written request, Business Associate agrees to make its facilities, internal practices, books, records, documents, electronic data and all other business information available to Covered Entity within five (5) business days during normal business hours so that Covered Entity can monitor compliance with this Addendum.

ARTICLE 5

TERM AND TERMINATION

- 5.1 Term.** This Addendum is valid as of the Effective Date and remains effective for the entire term of the Underlying Agreement, or until terminated as set forth herein.
- 5.2 Termination.** This Addendum may be terminated by Covered Entity for convenience upon the same number of days prior written notice to the Business Associate as set out in the Underlying Agreement, otherwise upon thirty (30) days prior written notice. The notice will specify the date of termination.
- 5.3 Termination for Cause.** Covered Entity may immediately terminate this Addendum and the Underlying Agreement without penalty if Covered Entity, in its sole discretion, determines that Business Associate has: (a) improperly used or disclosed PHI in breach of this Addendum; or (b) violated a material provision of this Addendum. Alternatively, the Covered Entity may choose to provide the Business Associate with written notice of the existence of an alleged material breach and a period of fifteen (15) days in which to cure the alleged material breach upon mutually agreeable terms. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of this Addendum and the Underlying Agreement.
- 5.4 Alternative to Termination.** If termination is not feasible, the Covered Entity shall report the breach to the Secretary of the Department of Health and Human Services.
- 5.5 Return/Destruction of PHI.** Business Associate agrees that, upon termination of the Underlying Agreement, for whatever reason, it will return or destroy all PHI, if feasible, received from, or created or received by it on behalf of Covered Entity which Business Associate maintains in any form, and retain no copies of such information. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. An authorized representative of Business Associate shall certify in writing to Covered Entity, within five (5) days from the date of termination or other expiration of the Underlying Agreement, that all PHI has been returned or disposed of as provided above and that Business Associate no longer retains any such PHI in any form.
- 5.6 No Feasible Return/Destruction of PHI.** If the return or destruction of PHI is not feasible, Business Associate shall notify Covered Entity of the conditions that make return or destruction infeasible. To the extent that return or destruction of PHI is not feasible, Business Associate shall extend the protections of this Addendum to the PHI retained and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible. Business Associate shall remain bound by the provisions of this Addendum notwithstanding termination of the Underlying Agreement, until such time as all PHI has been returned or otherwise destroyed as provided in this section.

ARTICLE 6

INDEMNIFICATION/INSURANCE

6.1 Defense and Indemnification. Business Associate shall defend, indemnify and hold Covered Entity harmless from and against all claims, liabilities, judgments, fines, assessments, penalties, awards or other expenses, of any kind or nature whatsoever, including, without limitation attorney's fees, expert witness fees, and costs of investigation, litigation, or dispute resolution, relating to or arising out of any breach of this Addendum by Business Associate, its employees, officers, agents, or subcontractors.

6.1.1 Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with the Addendum or HIPAA or the HIPAA Rules will be adequate or satisfactory for Business Associate's own purposes or that any information in the possession of Business Associate or Business Associate's control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure; nor shall Covered Entity be liable to Business Associate for any claim, loss or damage relating to the unauthorized use or disclosure of any information received by Business Associate from Covered Entity or from any other source. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

6.2 Insurance. If Covered Entity requires, Business Associate shall obtain and maintain insurance coverage against improper uses and disclosures of PHI by Business Associate naming Covered Entity as an additional named insured. Promptly following a request by Covered Entity for the maintenance of such insurance coverage, Business Associate shall provide a certificate evidencing such insurance coverage.

ARTICLE 7

MISCELLANEOUS

7.1 Construction. This Addendum shall be construed as broadly as necessary to implement and comply with HIPAA and the HIPAA Rules. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with the HIPAA Rules.

7.2 Notice. All notices and other communications required or permitted pursuant to this Addendum shall be in writing, addressed to the party at the address set forth in the Underlying Agreement, or to such other address as either party may designate from time to time. All notices and other communications shall be mailed by registered or certified mail, return receipt requested, postage prepaid, or transmitted by hand delivery or telegram. All notices shall be effective as of the date of delivery of personal notice or on the date of receipt, whichever is applicable.

7.3 Modification of Addendum. The parties agree to take such action as is necessary to modify this Addendum to ensure consistency with amendments to and changes in the applicable federal and state laws and regulations, including, but not limited to, HIPAA and the HIPAA Rules. This Addendum shall not be waived or altered, in whole or in part, except in writing signed by the parties.

7.4 Invalid Terms. In the event that any provision of the terms and conditions are held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Addendum will remain in full force and effect.

7.5 Transferability. Covered Entity has entered into this Addendum in specific reliance on the expertise and qualifications of Business Associate. Consequently, Business Associate's interest under this Addendum may not be transferred or assigned or assumed by any other person, in whole or part, without the prior written consent of Covered Entity.

- 7.6 Governing Law and Venue.** This Addendum shall be governed by, and interpreted in accordance with the laws of the State of Washington in accordance with HIPAA and the HIPAA Rules without giving effect to the conflict of laws provisions. Thurston County, Washington, shall be the sole and exclusive venue for any litigation, special proceeding or other proceeding as between the parties that may be brought under, or arise out of, this Addendum.
- 7.7 No Third Party Beneficiaries.** Nothing express or implied in this Addendum is intended to confer, nor anything herein shall confer, upon any person other than the parties hereto any rights, remedies, obligations or liabilities whatsoever.
- 7.8 Binding Effect.** This Addendum shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective permitted successors and assigns.
- 7.9 Execution.** This Addendum may be executed in multiple counterparts, each of which shall constitute an original, all of which shall constitute but one agreement.
- 7.10 Gender and Number.** The use of the masculine, feminine or neuter genders, and the use of the singular and plural, shall not be given an effect of any exclusion or limitation herein. The use of the word "person" or "party" shall mean and include any individual, trust, corporation, partnership or other entity.
- 7.11 Priority of Agreements.** If any portion of the Addendum is inconsistent with the terms of the Underlying Agreement, the terms of this Addendum shall prevail. Except as set forth above, the remaining provisions of the Underlying Agreement are ratified in their entirety.
- 7.12 Survival.** The obligations of Business Associate shall survive the termination of this Addendum and the Underlying Agreement.
- 7.13 Recitals.** The preamble to this Addendum is not a mere recital of facts, but consists of binding agreed upon statements that form the basis of this Addendum.

IN WITNESS WHEREOF, the parties hereto have signed this Addendum effective the day and year first above written.

BUSINESS ASSOCIATE: NAME OF AGENCY	COVERED ENTITY: THURSTON COUNTY
_____	_____
<i>Signature (Authorized Representative)</i>	<i>Signature</i>
_____	_____
<i>Printed Name</i>	<i>Printed Name</i>
_____	_____
<i>Title</i>	<i>Title</i>
_____	_____
<i>Date</i>	<i>Date</i>

STATEMENT OF WORK
Exhibit B

The services to be performed by the Contractor under this Contract, which are described in Section 3 of the Contract (*Statement of Work*) are set forth as follows:

1. Description of services to be provided and service requirements.
2. Monthly invoices for services shall include program status reports.
3. Within the scope of this Agreement, the County is authorized to provide additional professional training, technical support, individual technical support or other resources required to assist the Contractor in effective service delivery.

COMPENSATION
Exhibit C

The Contractor's compensation under this Contract, which is described in Section 6 of the Contract (*Billing and Payment*), is set forth as follows:

1. Total staff costs not to exceed \$.
2. Materials will be reimbursed at a rate of \$.
3. Total staff mileage reimbursement not to exceed \$.
4. The contractor shall provide an invoice and backup documentation on a monthly basis for work completed under this contract.
5. Invoices for services shall include status update reports and shall be submitted to ddbilling@co.thurston.wa.us by the 10th calendar day of the month after the services were delivered.
6. Total reimbursement for all services will not exceed \$.
7. Within the scope of this Agreement, the County is authorized to provide additional professional training, technical support, individual technical support or other resources required to assist the Contractor in effective service delivery.