



INTERLOCAL AGREEMENT

DSHS Agreement Number:
1865-24704

PreEmployment Transition Services

This Agreement is by and between the State of Washington Department of Social and Health Services (DSHS) and the Contractor identified below, and is issued pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW.

Program Contract Number:
Contractor Contract Number:

| | | | |
|--|---------------------------------------|---|---------------------------|
| CONTRACTOR NAME | | CONTRACTOR doing business as (DBA) | |
| Northwest Educational Service District 189 | | | |
| CONTRACTOR ADDRESS | | WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI) | DSHS INDEX NUMBER |
| 1601 R Avenue Anacortes, WA 98221 | | 600-253-146 | 2271 |
| CONTRACTOR CONTACT | CONTRACTOR TELEPHONE | CONTRACTOR FAX | CONTRACTOR E-MAIL ADDRESS |
| Shirley Cutshall | (360) 299-4098 | (360) 299-4070 | scutshall@nwsed.org |
| DSHS ADMINISTRATION | DSHS DIVISION | DSHS CONTRACT CODE | |
| Executive Administration | Division of Vocational Rehabilitation | 8000LC-65 | |
| DSHS CONTACT NAME AND TITLE | | DSHS CONTACT ADDRESS | |
| Danny Pratt Contract Specialist | | 4565 7th Ave SE 1st Floor PO Box 5340 Olympia, WA Click here to enter text. | |
| DSHS CONTACT TELEPHONE | DSHS CONTACT FAX | DSHS CONTACT E-MAIL ADDRESS | |
| (360)725-3624 | (360)407-3933 | DVRContractsUnit2@dshs.wa.gov | |
| IS THE CONTRACTOR A SUBRECIPIENT FOR PURPOSES OF THIS CONTRACT? | | CFDA NUMBER(S) | |
| No | | 84.126 | |
| AGREEMENT START DATE | AGREEMENT END DATE | MAXIMUM AGREEMENT AMOUNT | |
| 02/12/2018 | 02/11/2020 | \$480,600.00 | |
| EXHIBITS. The following Exhibits are attached and are incorporated into this Agreement by reference: <input checked="" type="checkbox"/> Exhibits (specify): Exhibit A - Data Security Requirements Exhibit B- Invoice Voucher Spreadsheet, Exhibit C- DSHS Checklist Request for Approval to Subcontract, Exhibit D- Form #09-653 Background Check Authorization, Exhibit E- Background Check Contractor Designated Contact, Exhibit F- PreETS Information and Consent Form <input type="checkbox"/> No Exhibits. | | | |
| The terms and conditions of this Agreement are an integration and representation of the final, entire and exclusive understanding between the parties superseding and merging all previous agreements, writings, and communications, oral or otherwise regarding the subject matter of this Agreement, between the parties. The parties signing below represent they have read and understand this Agreement, and have the authority to execute this Agreement. This Agreement shall be binding on DSHS only upon signature by DSHS. | | | |
| CONTRACTOR SIGNATURE | | PRINTED NAME AND TITLE | DATE SIGNED |
| | | Larry Francois Superintendent | 2/11/18 |
| DSHS SIGNATURE | | PRINTED NAME AND TITLE | DATE SIGNED |
| | | Danny Pratt, Contract Specialist | 2/11/18 |

DSHS General Terms and Conditions

1. **Definitions.** The words and phrases listed below, as used in this Contract, shall each have the following definitions:
- a. "Central Contracts and Legal Services" means the DSHS central headquarters contracting office, or successor section or office.
 - b. "Confidential Information" or "Data" means information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws. Confidential Information includes, but is not limited to, Personal Information.
 - c. "Contract" or "Agreement" means the entire written agreement between DSHS and the Contractor, including any Exhibits, documents, or materials incorporated by reference. The parties may execute this contract in multiple counterparts, each of which is deemed an original and all of which constitute only one agreement. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
 - d. "CCLS Chief" means the manager, or successor, of Central Contracts and Legal Services or successor section or office.
 - e. "Contractor" means the individual or entity performing services pursuant to this Contract and includes the Contractor's owners, members, officers, directors, partners, employees, and/or agents, unless otherwise stated in this Contract. For purposes of any permitted Subcontract, "Contractor" includes any Subcontractor and its owners, members, officers, directors, partners, employees, and/or agents.
 - f. "Debarment" means an action taken by a Federal agency or official to exclude a person or business entity from participating in transactions involving certain federal funds.
 - g. "DSHS" or the "Department" means the state of Washington Department of Social and Health Services and its employees and authorized agents.
 - h. "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. Encryption must use a key length of at least 128 bits.
 - i. "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.
 - j. "Physically Secure" means that access is restricted through physical means to authorized individuals only.
 - k. "Program Agreement" means an agreement between the Contractor and DSHS containing special terms and conditions, including a statement of work to be performed by the Contractor and payment to be made by DSHS.
 - l. "RCW" means the Revised Code of Washington. All references in this Contract to RCW chapters or sections shall include any successor, amended, or replacement statute. Pertinent RCW chapters can be accessed at <http://apps.leg.wa.gov/rcw/>.
 - m. "Regulation" means any federal, state, or local regulation, rule, or ordinance.

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- n. "Secured Area" means an area to which only authorized representatives of the entity possessing the Confidential Information have access. Secured Areas may include buildings, rooms or locked storage containers (such as a filing cabinet) within a room, as long as access to the Confidential Information is not available to unauthorized personnel.
 - o. "Subcontract" means any separate agreement or contract between the Contractor and an individual or entity ("Subcontractor") to perform all or a portion of the duties and obligations that the Contractor is obligated to perform pursuant to this Contract.
 - p. "Tracking" means a record keeping system that identifies when the sender begins delivery of Confidential Information to the authorized and intended recipient, and when the sender receives confirmation of delivery from the authorized and intended recipient of Confidential Information.
 - q. "Trusted Systems" include only the following methods of physical 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; and (4) the Washington State Campus mail system. For electronic transmission, the Washington State Governmental Network (SGN) is a Trusted System for communications within that Network.
 - r. "WAC" means the Washington Administrative Code. All references in this Contract to WAC chapters or sections shall include any successor, amended, or replacement regulation. Pertinent WAC chapters or sections can be accessed at <http://apps.leg.wa.gov/wac/>.
2. **Amendment.** This Contract may only be modified by a written amendment signed by both parties. Only personnel authorized to bind each of the parties may sign an amendment.
3. **Assignment.** The Contractor shall not assign this Contract or any Program Agreement to a third party without the prior written consent of DSHS.
4. **Billing Limitations.**
- a. DSHS shall pay the Contractor only for authorized services provided in accordance with this Contract.
 - b. DSHS shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were performed.
 - c. The Contractor shall not bill and DSHS shall not pay for services performed under this Contract, if the Contractor has charged or will charge another agency of the state of Washington or any other party for the same services.
5. **Compliance with Applicable Law.** At all times during the term of this Contract, the Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, nondiscrimination laws and regulations.
6. **Confidentiality.**
- a. The Contractor shall not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with Contractor's performance of the services contemplated hereunder, except:

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- (1) as provided by law; or,
 - (2) in the case of Personal Information, with the prior written consent of the person or personal representative of the person who is the subject of the Personal Information.
- b. The Contractor shall protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss. This duty requires the Contractor to employ reasonable security measures, which include restricting access to the Confidential Information by:
- (1) Allowing access only to staff that have an authorized business requirement to view the Confidential Information.
 - (2) Physically Securing any computers, documents, or other media containing the Confidential Information.
 - (3) Ensure the security of Confidential Information transmitted via fax (facsimile) by:
 - (a) Verifying the recipient phone number to prevent accidental transmittal of Confidential Information to unauthorized persons.
 - (b) Communicating with the intended recipient before transmission to ensure that the fax will be received only by an authorized person.
 - (c) Verifying after transmittal that the fax was received by the intended recipient.
 - (4) When transporting six (6) or more records containing Confidential Information, outside a Secured Area, do one or more of the following as appropriate:
 - (a) Use a Trusted System.
 - (b) Encrypt the Confidential Information, including:
 - i. Encrypting email and/or email attachments which contain the Confidential Information.
 - ii. Encrypting Confidential Information when it is stored on portable devices or media, including but not limited to laptop computers and flash memory devices.
 - (5) Send paper documents containing Confidential Information via a Trusted System.
 - (6) Following the requirements of the DSHS Data Security Requirements Exhibit, if attached to this contract.
- c. Upon request by DSHS, at the end of the Contract term, or when no longer needed, Confidential Information shall be returned to DSHS or Contractor shall certify in writing that they employed a DSHS approved method to destroy the information. Contractor may obtain information regarding approved destruction methods from the DSHS contact identified on the cover page of this Contract.
- d. Paper documents with Confidential Information may be recycled through a contracted firm, provided the contract with the recycler specifies that the confidentiality of information will be protected, and

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the information destroyed through the recycling process. Paper documents containing Confidential Information requiring special handling (e.g. protected health information) must be destroyed on-site through shredding, pulping, or incineration.

- e. **Notification of Compromise or Potential Compromise.** The compromise or potential compromise of Confidential Information must be reported to the DSHS Contact designated on the contract within one (1) business day of discovery. Contractor must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or DSHS.
7. **Debarment Certification.** The Contractor, by signature to this Contract, certifies that the Contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from participating in transactions (Debarred). The Contractor also agrees to include the above requirement in any and all Subcontracts into which it enters. The Contractor shall immediately notify DSHS if, during the term of this Contract, Contractor becomes Debarred. DSHS may immediately terminate this Contract by providing Contractor written notice if Contractor becomes Debarred during the term hereof.
8. **Governing Law and Venue.** This Contract shall be construed and interpreted in accordance with the laws of the state of Washington and the venue of any action brought hereunder shall be in Superior Court for Thurston County.
9. **Independent Contractor.** The parties intend that an independent contractor relationship will be created by this Contract. The Contractor and his or her employees or agents performing under this Contract are not employees or agents of the Department. The Contractor, his or her employees, or agents performing under this Contract will not hold himself/herself out as, nor claim to be, an officer or employee of the Department by reason hereof, nor will the Contractor, his or her employees, or agent make any claim of right, privilege or benefit that would accrue to such officer or employee.
10. **Inspection.** The Contractor shall, at no cost, provide DSHS and the Office of the State Auditor with reasonable access to Contractor's place of business, Contractor's records, and DSHS client records, wherever located. These inspection rights are intended to allow DSHS and the Office of the State Auditor to monitor, audit, and evaluate the Contractor's performance and compliance with applicable laws, regulations, and these Contract terms. These inspection rights shall survive for six (6) years following this Contract's termination or expiration.
11. **Maintenance of Records.** The Contractor shall maintain records relating to this Contract and the performance of the services described herein. The records include, but are not limited to, accounting procedures and practices, which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. All records and other material relevant to this Contract shall be retained for six (6) years after expiration or termination of this Contract.

Without agreeing that litigation or claims are legally authorized, if any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
12. **Order of Precedence.** In the event of any inconsistency or conflict between the General Terms and Conditions and the Special Terms and Conditions of this Contract or any Program Agreement, the inconsistency or conflict shall be resolved by giving precedence to these General Terms and Conditions. Terms or conditions that are more restrictive, specific, or particular than those contained in the General Terms and Conditions shall not be construed as being inconsistent or in conflict.
13. **Severability.** If any term or condition of this Contract is held invalid by any court, the remainder of the

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Contract remains valid and in full force and effect.

- 14. Survivability.** The terms and conditions contained in this Contract or any Program Agreement which, by their sense and context, are intended to survive the expiration or termination of the particular agreement shall survive. Surviving terms include, but are not limited to: Billing Limitations; Confidentiality, Disputes; Indemnification and Hold Harmless, Inspection, Maintenance of Records, Notice of Overpayment, Ownership of Material, Termination for Default, Termination Procedure, and Treatment of Property.

15. Contract Renegotiation, Suspension, or Termination Due to Change in Funding.

If the funds DSHS relied upon to establish this Contract or Program Agreement are withdrawn, reduced or limited, or if additional or modified conditions are placed on such funding, after the effective date of this contract but prior to the normal completion of this Contract or Program Agreement:

- a. At DSHS's discretion, the Contract or Program Agreement may be renegotiated under the revised funding conditions.
- b. At DSHS's discretion, DSHS may give notice to Contractor to suspend performance when DSHS determines that there is reasonable likelihood that the funding insufficiency may be resolved in a timeframe that would allow Contractor's performance to be resumed prior to the normal completion date of this contract.
 - (1) During the period of suspension of performance, each party will inform the other of any conditions that may reasonably affect the potential for resumption of performance.
 - (2) When DSHS determines that the funding insufficiency is resolved, it will give Contractor written notice to resume performance. Upon the receipt of this notice, Contractor will provide written notice to DSHS informing DSHS whether it can resume performance and, if so, the date of resumption. For purposes of this subsection, "written notice" may include email.
 - (3) If the Contractor's proposed resumption date is not acceptable to DSHS and an acceptable date cannot be negotiated, DSHS may terminate the contract by giving written notice to Contractor. The parties agree that the Contract will be terminated retroactive to the date of the notice of suspension. DSHS shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the retroactive date of termination.
- c. DSHS may immediately terminate this Contract by providing written notice to the Contractor. The termination shall be effective on the date specified in the termination notice. DSHS shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination. No penalty shall accrue to DSHS in the event the termination option in this section is exercised.

- 16. Waiver.** Waiver of any breach or default on any occasion shall not be deemed to be a waiver of any subsequent breach or default. Any waiver shall not be construed to be a modification of the terms and conditions of this Contract. Only the CCLS Chief or designee has the authority to waive any term or condition of this Contract on behalf of DSHS.

Additional General Terms and Conditions – Interlocal Agreements:

- 17. Disputes.** Both DSHS and the Contractor ("Parties") agree to work in good faith to resolve all conflicts at the lowest level possible. However, if the Parties are not able to promptly and efficiently resolve,

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through direct informal contact, any dispute concerning the interpretation, application, or implementation of any section of this Agreement, either Party may reduce its description of the dispute in writing, and deliver it to the other Party for consideration. Once received, the assigned managers or designees of each Party will work to informally and amicably resolve the issue within five (5) business days. If managers or designees are unable to come to a mutually acceptable decision within five (5) business days, they may agree to issue an extension to allow for more time.

If the dispute cannot be resolved by the managers or designees, the issue will be referred through each Agency's respective operational protocols, to the Secretary of DSHS ("Secretary") and the Contractor's Agency Head ("Agency Head") or their deputies or designated delegates. Both Parties will be responsible for submitting all relevant documentation, along with a short statement as to how they believe the dispute should be settled, to the Secretary and Agency Head.

Upon receipt of the referral and relevant documentation, the Secretary and Agency Head will confer to consider the potential options of resolution, and to arrive at a decision within fifteen (15) business days. The Secretary and Agency Head may appoint a review team, a facilitator, or both, to assist in the resolution of the dispute. If the Secretary and Agency Head are unable to come to a mutually acceptable decision within fifteen (15) business days, they may agree to issue an extension to allow for more time.

The final decision will be put in writing, and will be signed by both the Secretary and Agency Head. If the Agreement is active at the time of resolution, the Parties will execute an amendment or change order to incorporate the final decision into the Agreement. The decision will be final and binding as to the matter reviewed and the dispute shall be settled in accordance with the terms of the decision.

If the Secretary and Agency Head are unable to come to a mutually acceptable decision, the Parties will request intervention by the Governor, per RCW 43.17.330, in which case the governor shall employ whatever dispute resolution methods that the governor deems appropriate in resolving the dispute.

Both Parties agree that, the existence of a dispute notwithstanding, the Parties will continue without delay to carry out all respective responsibilities under this Agreement that are not affected by the dispute.

18. **Hold Harmless.** The Contractor shall be responsible for and shall hold DSHS harmless from all claims, loss, liability, damages, or fines arising out of or relating to the Contractor's negligent acts or omissions or its performance or failure to perform this Agreement. DSHS shall be responsible for and shall hold the Contractor harmless from all claims, loss, liability, damages, or fines arising out of or relating to DSHS' performance or failure to perform this Agreement.
19. **Ownership of Material.** Copyright in all material created by the Contractor and paid for by DSHS as a part of this Interlocal Agreement shall be the property of the State of Washington. Both DSHS and Contractor may use these materials, and permit others to use them, for any purpose consistent with their respective missions as agencies of the state of Washington. This material includes, but is not limited to: books; computer programs; documents; films; pamphlets; reports; sound reproductions; studies; surveys; tapes; and/or training materials. Material that the Contractor uses to perform this Interlocal Agreement but which is not created for or paid for by DSHS shall be owned by Contractor or such other party as determined by Copyright Law and/or Contractor's internal policies. Contractor hereby grants (or, if necessary and to the extent reasonably possible, shall obtain and grant) a perpetual, unrestricted, royalty free, non-exclusive license to DSHS to use the materials for DSHS internal purposes.
20. **Subrecipients.**

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- a. General. If the Contractor is a subrecipient of federal awards as defined by 2 CFR Part 200 this Agreement, the Contractor shall:
- (1) Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
 - (2) Maintain internal controls that provide reasonable assurance that the Contractor is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs;
 - (3) Prepare appropriate financial statements, including a schedule of expenditures of federal awards;
 - (4) Incorporate 2 CFR Part 200, Subpart F audit requirements into all agreements between the Contractor and its Subcontractors who are subrecipients;
 - (5) Comply with the applicable requirements of 2 CFR Part 200, including any future amendments to 2 CFR Part 200, and any successor or replacement Office of Management and Budget (OMB) Circular or regulation; and
 - (6) Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39. (Go to www.ojp.usdoj.gov/ocr/ for additional information and access to the aforementioned Federal laws and regulations.)
- b. Single Audit Act Compliance. If the Contractor is a subrecipient and expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Contractor shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Contractor shall:
- (1) Submit to the DSHS contact person the data collection form and reporting package specified in 2 CFR Part 200, Subpart F, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor;
 - (2) Follow-up and develop corrective action for all audit findings; in accordance with 2 CFR Part 200, Subpart F; prepare a "Summary Schedule of Prior Audit Findings" reporting the status of all audit findings included in the prior audit's schedule of findings and questioned costs.
- c. Overpayments. If it is determined by DSHS, or during the course of a required audit, that the Contractor has been paid unallowable costs under this or any Program Agreement, DSHS may require the Contractor to reimburse DSHS in accordance with 2 CFR Part 200.

21. Termination.

- a. Default. If for any cause, either party fails to fulfill its obligations under this Agreement in a timely and proper manner, or if either party violates any of the terms and conditions contained in this Agreement, then the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given 15 working days to correct the violation or failure. If

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the failure or violation is not corrected, this Agreement may be terminated immediately by written notice from the aggrieved party to the other party.

- b. Convenience. Either party may terminate this Interlocal Agreement for any other reason by providing 30 calendar days' written notice to the other party.
- c. Payment for Performance. If this Interlocal Agreement is terminated for any reason, DSHS shall only pay for performance rendered or costs incurred in accordance with the terms of this Agreement and prior to the effective date of termination.

22. **Treatment of Client Property.** Unless otherwise provided, the Contractor shall ensure that any adult client receiving services from the Contractor has unrestricted access to the client's personal property. The Contractor shall not interfere with any adult client's ownership, possession, or use of the client's property. The Contractor shall provide clients under age eighteen (18) with reasonable access to their personal property that is appropriate to the client's age, development, and needs. Upon termination of the Contract, the Contractor shall immediately release to the client and/or the client's guardian or custodian all of the client's personal property.

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1. Definitions

- a. "504 Plan" means a plan that falls under the Rehabilitation Act of 1973, as amended. It is a plan developed to ensure that children who have disabilities identified under the law, and who attend an elementary or secondary educational institution receives accommodations that will ensure their academic success and access to the learning environment.
- b. "Act" means the Rehabilitation Act of 1973, as amended.
- c. "Character, Competence, and Suitability Assessment (CCSA) form" means a form completed and kept on file by the Contractor justifying why an employee, intern, or volunteer with a background check result of RECORD should have unsupervised access to students served under this contract.
- d. "DVR" means the Washington State Department of Social and Health Services (DSHS), Division of Vocational Rehabilitation.
- e. "Documented Disability" means documentation of a disability from a certified professional which must reflect that the disability substantially limits a major life activity or major bodily function taking into account any relevant personal, psychosocial, medical, developmental, and/or educational history. Documentation can include, but is not limited to, a psychological/psycho-educational evaluation or a letter from medical/mental health provider.
- f. "ESD" means Educational Service District.
- g. "Indirect Cost" means overhead cost incurred to carry out Pre-Employment Transition Services (Pre-ETS) activities. Total allowable indirect costs cannot exceed 8% of the total expended costs for each Pre-ETS category. See Section 6-Consideration, for allowable amounts. Indirect costs will be reimbursed out of non-Pre-ETS funding and will not be counted towards satisfying the Pre-ETS requirement.
- h. "Individual with Disabilities Education Act" (IDEA) means a federal law that requires schools to serve the educational needs of students with disabilities.
- i. "Individualized Education Program" (IEP) means the individualized objectives of a child who has been found to have a disability, as defined by federal regulations under IDEA.
- j. "Job Exploration" means activities designed to help students understand post-secondary career options and opportunities. Activities may include but are not limited to, workshops and presentations on topics such as: careers versus jobs, in-demand jobs, and jobs in the local community, what skills and training employers look for, how to develop resumes, interview skills, etc.
- k. "Pre-ETS" means Pre-Employment Transition Services.
- l. "Post-Secondary" means after exiting from high school.
- m. "Post-Secondary Exploration" means exploration of opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education.
- n. "Pre-employment Transition Services (Pre-ETS)" means activities specified in the Rehabilitation Act of 1973 as amended in 2014. Pre-employment Transition Services that DVR is required to make available for all students with disabilities include 1) Job Exploration, 2) Work-based learning experiences, 3) Counseling on opportunities for enrollment in comprehensive transition or

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- postsecondary educational programs at institutions of higher education, 4) Workplace readiness training, 5) Self-advocacy Instruction.
- o. "Region" means the area that is served by the ESD.
 - p. "Rehabilitation Act" means the Rehabilitation Act of 1973, as amended, that prohibits discrimination on the basis of disability and applies to any program that receives federal financial support.
 - q. "Required Activities" means the five direct Pre-Employment Transition Services focus areas that must be made available to secondary and post-secondary students with disabilities per the Rehabilitation Act Amendments of 2014. The five areas include Job Exploration, Work-Based Learning, Workplace Readiness Training, Self-Advocacy Training, and Post-Secondary Education Counseling.
 - r. "Self-Advocacy" means assisting students with disabilities in representing their own views and interests. Assistance may be provided through modeling and training on self-empowerment and responsibility. Issues may encompass discrimination in services, employment, housing, healthcare, transportation, recreation, or any other aspect of a person's life.
 - s. "Self-Advocacy Instruction" means one of the five required pre-employment transition services as determined by the Rehabilitation Act of 1973, as amended. Self-advocacy instruction includes person-centered planning and may include peer mentoring from individuals with disabilities working in competitive integrated employment. Examples of self-advocacy instruction include but are not limited to workshops or job clubs in areas such as: developing goals, time management and organization, balanced life planning, self-advocacy, peer support, mentoring groups, accessing community resources such as health care, recreation, social opportunities, using assistive technology to manage life skills, etc.
 - t. "Student" means a person between the ages of 16 to 21, who attends Secondary School and who has an IEP, 504 Plan, or documented disability.
 - u. "Unsupervised" as defined in WAC 388-06-0020 means not in the presence of:
 - (1) The licensee, another employee or volunteer from the same business or organization as the applicant who has not been disqualified by the background check.
 - (2) Any relative or guardian of the child or developmentally disabled individual or vulnerable adult to whom the applicant has access during the course of his or her employment or involvement with the business or organization (RCW 43.43.080(9)).
 - v. "Unsupervised Access" means that a member of the Contractor's personnel (Board member, staff person, volunteer, or intern) may be left alone with a student served under this contract at any time.
 - w. "Work-Based Learning" means in-school or after-school opportunities, or experience outside the traditional school setting (including internships) that are provided in an integrated environment in the community to the maximum extent possible.
 - x. "Workplace Readiness Training" means equipping an individual with the foundational skills needed to be minimally qualified for a specific occupation as determined through a job analysis or occupational profile. Examples of Workplace Readiness training may include but are not limited to: workshops on social skills, workplace behavior and interaction, multicultural awareness, problem-solving skills, understanding learning styles and how they affect social and independent living skills, budgeting, self-awareness, basic computer skills, transportation training, teamwork skills, decision-

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making skills, etc.

2. Purpose

The purpose of this contract is to provide pre-employment transition services to students with disabilities ranging from ages 16 to 21, who have Individualized Educational Programs (IEPs) or 504 Plans, or documented disabilities that qualify students for special education under the Individuals with Disabilities Education Act (IDEA) or accommodations under Section 504 of the Rehabilitation Act of 1973, as amended. Services and expenditures provided under this contract must comply with Code of Federal Regulations Title 2, Part 200.

3. Statement of Work

a. Delivery of Services

The Contractor shall provide Pre-Employment Transition Services (Pre-ETS) utilizing the following deliverables, to include the five required activities as specified by the Rehabilitation Act of 1973, as amended.

b. Required Activities

Deliverables include, where applicable, one or more required activities.

The five required activities are:

- (1) Post-Secondary Exploration
- (2) Job Exploration
- (3) Workplace Readiness Training
- (4) Self-Advocacy Instruction
- (5) Work-Based Learning

c. Eligibility

The following identified groups of students may participate in the PreETS described in this contract:

- (1) Potentially DVR-eligible students who have not applied for DVR services.
- (2) Students who are currently eligible for DVR services.

- (a) The Contractor shall notify the student's DVR Vocational Rehabilitation Counselor (VRC) of the student's participation in contracted activities to enable the VRC to include this activity in the student's Individualized Plan for Employment (IPE).

d. Student Outreach, Recruitment, and Record of Participation

- (1) The Contractor shall provide equitable access and outreach to serve a diverse student base, including students from culturally and linguistically diverse communities. Outreach shall include recruitment of students with a variety of disabilities, including Specific Learning Disabilities, Emotional-Behavioral Disorders, Autism, Intellectual Disabilities, Deaf/Hard of Hearing, Mobility-

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impaired, etc.

- (2) The Contractor shall coordinate the delivery of contracted activities with DVR Transition Consultants, ESD Transition Specialists and Special Education Directors in each secondary school identified for Contractor outreach.
- (3) The Contractor shall also provide outreach to post-secondary students with disabilities who are enrolled in post-secondary educational programs.
- (4) The Contractor shall clearly identify the services as funded by DVR using the statement, "This project is made possible by the Washington State Division of Vocational Rehabilitation." This statement shall be included on all marketing and outreach materials, as well as educational materials created or developed by the contractor and provided to students.
- (5) Each student who participates in contracted activities shall initially complete the Pre-Employment Transition Services Information and Consent Form (Exhibit F). When sending invoices and reports to DVR, the Contractor shall include this form for each student served, as well as documentation of student participation in each subsequent Contractor activity.

e. Deliverables

- (1) The Contractor shall provide the following deliverables for each Pre-ETS category listed below.

(a) Post-Secondary Exploration

- i. Minimum of six (6) field trips to regional colleges over the term of this contract,
- ii. Maximum of 100 students over the term of this contract.

(b) Job Exploration

- i. Minimum of six (6) career fairs over the term of this contract,
- ii. Maximum of 300 students over the term of this contract.

(c) Workplace Readiness

- i. Minimum of 10 hours of Workplace Readiness training per student per year,
- ii. Maximum of 100 students over the term of this contract.

(d) Self-Advocacy

- i. Minimum of 10 hours of Self-Advocacy training per student per year,
- ii. Minimum of 100 students over the term of this contract.

(e) Work-Based Learning

- i. Minimum of 20 hours of Work-Based Learning per student per year,
- ii. Minimum of 60 students over the term of this contract.

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4. Reporting and Administration

Please note - this process is subject to change as DSHS/DVR develops an external-facing vendor data entry application. The Contractor will be notified of any changes via e-mail.

The Contractor shall adhere to the following reporting and documentation requirements:

- a. Submit the DSHS/DVR Pre-Employment Transition Services Information and Consent Form (Exhibits F) for each student participant, as well as records of individual student activity with each invoice, to include student identification, activity, and cost per activity. DVR invoices shall not be paid unless the Pre-Employment Transition Services Information and Consent Form is fully completed and submitted to DVR, including required signatures, student demographic and student school information.
- b. Inform students at time of enrollment of the need to keep contact information updated.
- c. Monthly Invoice Report(s)
 - (1) Reports for each deliverable shall be provided by the Contractor to DVR along with an invoice (Exhibit B), on a monthly basis on forms provided by DVR.
 - (2) Forms may be altered or changed upon by DVR when changes are proposed to required elements or data collection.
- d. Update the identified DSHS/DVR Pre-Employment Transition Consultant, or designated DVR staff with any significant program or design changes.
- e. Include the notation "This project is made possible through funding from the Washington State Division of Vocational Rehabilitation" on all project material and publications.
- f. Identify and share with the DSHS/DVR Secondary Transition Program Manager, Pre-Employment Transition Consultant or designated DVR staff, two pilot project student success stories quarterly, including photos (with student/parent permission granted) to be used for DSHS/DVR reporting.
- g. Maintain organized, up-to-date student files on the Contractor's physical website that include student activities and attendance, as well as case notes that are updated at least monthly.
- h. Coordinate quarterly site visits for the identified DSHS/DVR Secondary Transition Program Manager, Pre-Employment Transition Consultant, or designated DVR staff to include an interview with a case manager and at least two student participants.

5. Subcontracting

DSHS/DVR reserves the right to approve or deny the Contractor staff, and any Subcontractor(s) the Contractor assigns or contracts with, to perform the work required under the terms of this contract. The Contractor must have DSHS/DVR approval before subcontracting. See also General Terms and Conditions, Section 24.

- a. The Contractor shall submit the following documentation to DSHS/DVR for review and approval before engaging in subcontracts for the services described in this contract:
 - (1) A completed Exhibit **, DSHS Checklist Request for Approval to Subcontract;

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- (2) A copy of the proposed subcontract;
 - (3) DSHS Form 09-653 Background Check Authorization. To be completed for each employee of the proposed subcontractor that may have unsupervised access to customers served through this contract;
 - (4) Proof of insurance; and
 - (5) A valid WA Business License.
- b. The Contractor shall submit all required documentation for approval to:
- DSHS/DVR Chief of Field Services
PO Box 45340
Olympia WA 98504-5340
- Or by email to BENNEE@dshs.wa.gov
- c. Subcontracts approved to provide services under this contract are subject to all terms and conditions of this contract.
- d. The Contractor shall be responsible for ensuring Subcontractors comply with reporting requirements as specified in this contract.

6. Consideration

Total consideration payable to the Contractor for satisfactory performance of the work under this Contract is up to a maximum of **\$480,600**, on a cost reimbursable basis, and shall be based on the following:

a. Post-Secondary Exploration

Upon DVR receipt and approval of the Contractor's completed monthly invoice, fully completed reports as described in Special Terms and Conditions, Section 4.d, Monthly Invoice Reports, and the Contractor's detailed expense report, cost reimbursements will be made as follows:

- (1) Total maximum allowable for all supplies, materials, staff time, and other costs as necessary for Field Trips to Regional Colleges for this contract is \$75,000.
- (2) Total maximum allowable for all indirect costs, not to exceed 8% of expended costs in 6.a (1), is \$6,000.

b. Job Exploration

Upon DVR receipt and approval of the Contractor's completed monthly invoice, fully completed reports as described in Special Terms and Conditions, Section 4.d, Monthly Invoice Reports, and the Contractor's detailed expense report, cost reimbursements will be made as follows:

- (1) Total maximum allowable for all supplies, materials, staff time, and other costs as necessary for Regional Transition Fairs for this contract is \$100,000.
- (2) Total maximum allowable for all indirect costs, not to exceed 8% of expended costs in 6.b (1), is \$8,000.

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c. Workplace Readiness Training

Upon DVR receipt and approval of the Contractor's completed monthly invoice, fully completed reports as described in Special Terms and Conditions, Section 4.d, Monthly Invoice Reports, and the Contractor's detailed expense report, cost reimbursements will be made as follows:

- (1) Total maximum allowable for all supplies, materials, staff time, and other costs as necessary for Direct Instruction on Workplace Readiness for this contract is \$85,000.
- (2) Total maximum allowable for all indirect costs, not to exceed 8% of expended costs in 6.c (1), is \$6800.

d. Self-Advocacy Instruction

Upon DVR receipt and approval of the Contractor's completed monthly invoice, fully completed reports as described in Special Terms and Conditions, Section 4.d, Monthly Invoice Reports, and the Contractor's detailed expense report, cost reimbursements will be made as follows:

- (1) Total maximum allowable for all supplies, materials, staff time, and other costs as necessary for Self-Advocacy Training for Students and Their Families for this contract is \$70,000.
- (2) Total maximum allowable for all indirect costs, not to exceed 8% of expended costs in 6.d (1), is \$5,600.

e. Work-Based Learning

Upon DVR receipt and approval of the Contractor's completed monthly invoice, fully completed reports as described in Special Terms and Conditions, Section 4.d, Monthly Invoice Reports, and the Contractor's detailed expense report, cost reimbursements will be made as follows:

- (1) Total maximum allowable per student is \$1,500, which is only payable in fully upon full completion of the Work-Based Learning experience.
- (2) Payment for incomplete Work-Based Learning experience shall be based on the total number of hours of participation, divided by the total allowable of \$1,500 maximum allowable dollar amount.
- (3) Total maximum allowable amount for Work-Based Learning for this contract is \$115,000.
- (4) Total maximum allowable for all indirect costs, not to exceed 8% of expended costs in 6.e (1), is \$9,200.

7. Billing and Payment

- a. Invoice System. The Contractor shall submit invoices using State Form A-19 Invoice Voucher. Consideration for cost reimbursements shall be payable upon receipt of properly completed Exhibit B - A-19 Invoice Voucher spreadsheet, and required reports (see Exhibits A-E), which shall be submitted to the **DVR Region 3 Administrator or designee** monthly. The invoices, attached reports and supporting documentation shall describe and document to DSHS' satisfaction a description of the work performed, activities accomplished, the progress of the project, and fees. The rates shall be in accordance with those set forth in Section 6, Consideration, of this Contract.

Insufficient documentation or delay in the receipt of invoices and reports may result in a delay of

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payment to the Contractor.

- b. Contact Information. The Contractor shall submit all invoices and reports by the assigned due dates to **DSHS/Division of Vocational Rehabilitation, DVR Region 3 Administrator or designee, 6639 Capitol Blvd SW (MS: 45459), Tumwater WA, 98504-5459** or by email to vertrip@dshs.wa.gov.
- c. Payment. Payment shall be considered timely if made by DSHS within 30 days after receipt and acceptance by **DVR Region 3 Administrator or designee** of the properly completed invoices. Payment shall be sent to the address designated by the Contractor on page one of this Contract. DSHS may, at its sole discretion, withhold payment claimed by the Contractor for services rendered if Contractor fails to satisfactorily comply with any term or condition of this Contract.

8. Background Checks

- a. Prior to performing services under this contract, or having any unsupervised access to students, the Contractor must obtain a DSHS criminal background check for all personnel, interns, or volunteers who may have unsupervised access to students served through this contract.
- b. DVR will process and pay for background checks for the Contractor's personnel, interns, or volunteers ONLY if they will serve students under this contract and may have unsupervised access to those students.
- c. DVR may, at its discretion, request a background check on any director, board member, or other personnel.
- d. The Contractor shall designate an employee or employees authorized to process confidential background checks and accept results of background checks on its personnel, interns, or volunteers. The Contractor shall provide DVR the following information on each employee authorized to receive such information using a form provided by DVR during the contract intake process:
 - (1) Employee(s) name;
 - (2) Employee(s) job title;
 - (3) Employee(s) area code(s) and telephone number(s); and
 - (4) Employee(s) business location(s) including street address, city, state, and zip+4

The Contractor shall notify DVR in writing within fourteen (14) calendar days when an employee(s) is no longer authorized to process and receive confidential background checks and results.

If the employee's DSHS background check results indicate the employee, intern, or volunteer, has a background check result that is **Disqualifying** as a result of crimes, convictions, or actions that are on the DSHS Secretary's List of Disqualifying Crimes and Negative Actions <http://one.dshs.wa.lcl/FS/OSS/BCCU/Pages/SecretarysList.aspx>, the Contractor shall ensure that the employee, intern, or volunteer shall not have unsupervised access to students served under this contract. The employee may have unsupervised access to students only if they meet the 5-year rule for noted categories on the Disqualifying Crimes list and have a completed and Contractor approved Character, Competence, and Suitability Assessment (CCSA) on file to justify why the employee, intern, or volunteer should be allowed to have unsupervised access.

The completed CCSA shall be kept on file with the employee, intern, or volunteer's DSHS

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background check results. At any time DVR may ask to view, or request a copy of, the completed CCSA form.

- e. If the employee, intern, or volunteer's DSHS background check results indicate they have a **Record**, the Contractor must complete a CCSA form to justify why the employee, intern, or volunteer should be allowed to have unsupervised access to students served under this contract.

The completed CCSA shall be kept on file with the employee, intern, or volunteer's DSHS background check results. At any time DVR may ask to view or make a copy of the completed CCSA form.

- f. If the employee, intern, or volunteer's DSHS background check results indicate they have **No Record**, the Contractor may allow unsupervised access to students served under this contract without completing a CCSA form.

- g. DSHS Background Checks shall be conducted:

- (1) Every two years on personnel, interns, or volunteers having unsupervised access to students served under this contract;
- (2) Anytime a new employee, intern, or volunteer is hired that may have unsupervised access to students served under this contract; or
- (3) If the Contractor or DVR has reason to believe the employee, intern, or volunteer has committed an offense that may affect the status of his or her unsupervised access.

- h. Retention Schedule for Background Checks

- (1) Background Checks for individuals NOT employed by the Contractor:

- (a) Signed and completed Background Check Authorization forms, RAP sheets, supplemental information provided by the applicant or BCCU, and the BCCU result letters for individuals who had a background check completed but were NOT hired, must be stored together in a secure location. Documents include the person's name, date of birth, aliases, driver's license number, and social security number – and confidential background information.

- (b) All related documents must be kept at the originating office for a minimum of 12 months from the employment decision date.

- (2) Background Checks for individuals employed by the Contractor:

- (a) Signed and completed Background Check Authorization forms, RAP sheets, supplemental information provided by the applicant or BCCU, and the BCCU results letter for individuals who had a background check completed and were hired and authorized for unsupervised access, must be stored together in a secure location separated from personnel files and other less confidential documents. Documents include the person's name, date of birth, aliases, driver's license, and social security number – and confidential background information.

9. Contract Monitoring, Audits, and Investigations.

- a. Monitoring

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- (1) The Contractor shall monitor its performance on an ongoing basis to ensure adequate progress is being made toward achieving the objectives of the contract, and that the management, thereof, is in compliance with all applicable statutes and regulations.
 - (2) The purpose of monitoring is to reinforce, improve, and augment the Contractor's capacity to administer the contract by identifying potential problem areas, and recommending corrective actions to prevent deficiencies; over and underpayments may be identified at this time.
 - (3) DVR will periodically monitor the Contractor's programmatic and fiscal performance in accordance with the terms and conditions of this contract. Monitoring will be done by DVR at times it deems reasonable. DVR will make every effort not to disturb or disrupt any program or activity beyond what is necessary to obtain relevant data and make a reasonable assessment of the Contractor's performance.
 - (4) The monitoring may be done on a continuing basis during the contract term and may involve telephone contact, written communication, analysis of reports, on-site visits, and interviews as appropriate and with the involvement of all necessary team members except in the case of financial review processes.
 - (5) DVR will provide a written monitoring report which outlines on-site review findings, specifies recommendations for areas where corrective actions are required, and provides deadlines for corrective actions to be in place. Items defined as a finding must be remedied by the Contractor according to the established timeframe.
 - (6) DVR has the right to recover appropriate amounts of funds from the Contractor following monitoring activity where overpayments are identified. An overpayment may be determined if the minimum number of students per activity is not served. DVR may withhold future funding to the Contractor if the Contractor fails to provide the required completed corrective action plans or other contractual requirements in a timely manner. If a monitoring report contains exceptions, the findings must be resolved to the satisfaction of DVR prior to any subsequent award of funds from DVR to the Contractor.
- b. Auditing
- (1) An audit of the Contractor's operations may be required. DVR may require an audit to be limited to the financial and compliance requirements of this contract. The single purpose or end-of-project audit would be arranged and paid for by DVR. It could be performed by DVR staff or by an independent public accountant, or examiner. DVR shall notify the Contractor in writing of the intent to audit prior to the start of the audit.
 - (2) The Contractor and DVR will use the following steps to resolve any findings or questioned costs found in an audit report:
 - (a) The Contractor has 30 days from receiving the audit report to respond to findings or questioned costs. A written response shall be submitted to DVR, and it may include source documentation that supports the response.
 - (b) Following the receipt of the response, DVR will issue an Initial Findings and Determination that will inform the Contractor which questions are resolved and which still need further explanation or documentation.
 - (c) The Contractor has 30 days to submit a written response to the Initial Findings and Determination.

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- (d) Following review of the Contractor's response, DVR will issue a Final Findings and Determination that resolves the audit or imposes sanctions for questioned costs not adequately satisfied.
- (3) DVR has the right to recover appropriate amounts of funds from the Contractor following the audit. DVR may withhold future funding to the Contractor if the Contractor fails to provide the required audit reports, or to comply with audit requirements in a timely manner. If an audit report contains exceptions, the findings must be resolved to the satisfaction of DVR prior to any subsequent award of funds from DVR to the Contractor.
- c. Investigations
 - (1) DVR may investigate any matter it deems necessary to determine compliance with State and Federal policy and/or procedures. The investigations authorized by this provision may include examining records (including making certified copies thereof), questioning employees, Board Members, and students served under this contract, and entering any site or premises in which any part of a program of the Contractor is conducted or which any of the records of the Contractor are kept.

10. Investigations of Contractor or Related Personnel

DSHS may, without prior notice, suspend all work defined by the terms of this contract if the Contractor, or any partner, officer or director of the Contractor, or a subcontractor, or any employee or volunteer of the Contractor or a subcontractor, is investigated by DSHS or a local, county, state or federal agency regarding any matter that, if ultimately established, could either:

- a. Result in a conviction for violating a local, state or federal law; or
- b. In the sole judgment of DSHS, adversely affect the delivery of services under this contract, or jeopardize the health, safety or welfare of the students.

DSHS may also take other lesser action, including, but not limited to, disallowing a staff member, employee, or other person associated with the Contractor or a subcontractor, from providing services, or from having contact with students identified with this contract, until the investigation is concluded and a final determination made by the investigating agency.

11. Removal of Individuals from Performing Services

In the event that any of the Contractor's employees, subcontractors, or volunteers who provide services under this contract do not meet qualifications required by this contract or do not perform the services as required in this contract, DSHS may require that Contractor remove such individual from providing services to students served under this contract.

DSHS shall notify the Contractor of this decision verbally and in writing and the Contractor shall, within 24 hours, remove that person from providing direct services to students served under this contract. Failure to do so may result in a Corrective Action Plan (CAP) and possible suspension or termination of this contract.

12. Compliance with Corrective Action Plan

In the event that a review identifies deficiencies in Contractor's performance under this contract, a Corrective Action Plan (CAP) may be established. When presented with a CAP, Contractor agrees to respond to the Findings with an action plan or undertake the actions specified in the plan within the

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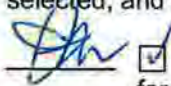
timeframes given to correct the deficiencies. Contractor's failure to do so shall be grounds for termination of this contract.

13. Surveys

- a. After 12 months, DVR is anticipated to perform a programmatic and potentially a fiscal review that may include a survey specific to this project.
 - (1) The student survey form shall be provided to randomly selected students via in-house appointments, the United States Postal Service, telephone, or online process,
 - (2) Results of the survey are confidential and shall be utilized to assure the quality of services and the success of this pilot program.
 - (3) Anonymous statistical report(s) will be prepared by DVR and provided to the Contractor.

14. Insurance.

- a. DSHS certifies that it is self-insured under the State's self-insurance liability program, as provided by RCW 4.92.130, and shall pay for losses for which it is found liable.
- b. The Contractor certifies, by checking the appropriate box below, initialing to the left of the box selected, and signing this Agreement, that:



The Contractor is self-insured or insured through a risk pool and shall pay for losses for which it is found liable; or

_____ The Contractor maintains the types and amounts of insurance identified below and shall, prior to the execution of this Agreement by DSHS, provide certificates of insurance to that effect to the DSHS contact on page one of this Agreement.

Commercial General Liability Insurance (CGL) – to include coverage for bodily injury, property damage, and contractual liability, with the following minimum limits: Each Occurrence - \$1,000,000; General Aggregate - \$2,000,000. The policy shall include liability arising out of premises, operations, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The State of Washington, DSHS, its elected and appointed officials, agents, and employees shall be named as additional insureds.

15. Disputes

When a dispute arises over an issue concerning the terms of this Contract, the following process is used to address the dispute:

- a. The Contractor and DVR shall attempt to resolve the dispute through informal means between the Contractor and the contact person identified on the first page of the contract.
- b. If the Contractor is not satisfied with the outcome of the resolution DVR contact person, the Contractor may submit a request for review of the disputed issue, in writing, for review within thirty (30) business days of the outcome to:

DVR Director
DSHS/DVR
PO Box 45340

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Olympia WA 98504-5340

- c. The Director may appoint a designee to review the disputed issue.
- d. A request for dispute resolution shall include:
 - (1) Name of the requester.
 - (2) Contractor's name, full address, phone number, and email.
 - (3) Contract number.
 - (4) Description of the issue in dispute.
 - (5) A statement describing the requester's position on the issue in dispute, including any documentation that supports this position.
 - (6) The steps that have already taken to resolve the dispute.
- e. The reviewer may request additional supporting documentation from either party to assist in reaching a fair resolution.
- f. The Director shall issue a written decision to the Contractor within thirty (30) calendar days of receipt of all information relevant to the issue.

The dispute resolution process described above is the sole administrative remedy available under this Contract.

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Exhibit A – Data Security Requirements

1. **Definitions.** The words and phrases listed below, as used in this Exhibit, shall each have the following definitions:
 - a. "AES" means the Advanced Encryption Standard, a specification of Federal Information Processing Standards Publications for the encryption of electronic data issued by the National Institute of Standards and Technology (<http://nvlpubs.nist.gov/nistpubs/FIPS/NIST.FIPS.197.pdf>).
 - b. "Authorized Users(s)" means an individual or individuals with a business need to access DSHS Confidential Information, and who has or have been authorized to do so.
 - c. "Business Associate Agreement" means an agreement between DSHS and a contractor who is receiving Data covered under the Privacy and Security Rules of the Health Insurance Portability and Accountability Act of 1996. 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.
 - d. "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 and 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: the Health Insurance Portability and Accountability Act (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 Service Publication 1075 (<https://www.irs.gov/pub/irs-pdf/p1075.pdf>); 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.
 - e. "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 iTunes, Dropbox, Box.com, and many other entities. Enterprise cloud vendors include Microsoft Azure, Amazon Web Services, and Rackspace.
 - f. "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. Encryption must use a key length of at least 256 bits for symmetric keys, or 2048 bits for asymmetric keys. When a symmetric key is used, the Advanced Encryption Standard (AES) must be used if available.
 - g. "FedRAMP" means the Federal Risk and Authorization Management Program (see 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.
 - h. "Hardened Password" means a string of at least eight characters containing at least three of the following four character classes: Uppercase alphabetic, lowercase alphabetic, numeral, and special characters such as an asterisk, ampersand, or exclamation point.

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- i. "Mobile Device" means a computing device, typically smaller than a notebook, which runs a mobile operating system, such as iOS, Android, or Windows Phone. Mobile Devices include smart phones, most tablets, and other form factors.
 - j. "Multi-factor Authentication" means controlling access to computers and other IT resources by requiring two or more pieces of evidence that the user is who they claim to be. These pieces of evidence consist of something the user knows, such as a password or PIN; something the user has such as a key card, smart card, or physical token; and something the user is, a biometric identifier such as a fingerprint, facial scan, or retinal scan. "PIN" means a personal identification number, a series of numbers which act as a password for a device. Since PINs are typically only four to six characters, PINs are usually used in conjunction with another factor of authentication, such as a fingerprint.
 - k. "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, tablets, and laptops. Mobile Device is a subset of Portable Device.
 - l. "Portable Media" means any machine readable media that may routinely be stored or moved independently of computing devices. Examples include magnetic tapes, optical discs (CDs or DVDs), flash memory (thumb drive) devices, external hard drives, and internal hard drives that have been removed from a computing device.
 - m. "Secure Area" means an area to which only authorized representatives of the entity possessing the Confidential Information have access, and access is controlled through 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.
 - n. "Trusted Network" means a network operated and maintained by the Contractor, which includes security controls sufficient to protect DSHS Data on that network. Controls would include 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.
 - o. "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.
2. **Authority.** The security requirements described in this document reflect the applicable requirements of Standard 141.10 (<https://ocio.wa.gov/policies>) of the Office of the Chief Information Officer for the state of Washington, and of the DSHS Information Security Policy and Standards Manual. Reference material related to these requirements can be found here: <https://www.dshs.wa.gov/fsa/central-contract-services/keeping-dshs-client-information-private-and-secure>, which is a site developed by the DSHS Information Security Office and hosted by DSHS Central Contracts and Legal Services.
3. **Administrative Controls.** The Contractor must have the following controls in place:
- a. A documented security policy governing the secure use of its computer network and systems, and

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which defines sanctions that may be applied to Contractor staff for violating that policy.

- b. If the Data shared under this agreement is classified as Category 4, the Contractor must be aware of and compliant with the applicable legal or regulatory requirements for that Category 4 Data.
- c. 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 Category 4 Data.

4. Authorization, Authentication, and Access. In order to ensure that access to the Data is limited to authorized staff, the Contractor must:

- a. Have documented policies and procedures governing access to systems with the shared Data.
- b. Restrict access through administrative, physical, and technical controls to authorized staff.
- c. Ensure that user accounts are unique and that any given user account logon ID and password combination is known only to the one employee to whom that account is assigned. For purposes 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.
- d. Ensure that only authorized users are capable of accessing the Data.
- e. Ensure that an employee's access to the Data is removed immediately:
 - (1) Upon suspected compromise of the user credentials.
 - (2) When their employment, or the contract under which the Data is made available to them, is terminated.
 - (3) When they no longer need access to the Data to fulfill the requirements of the contract.
- f. Have a process to periodically review and verify that only authorized users have access to systems containing DSHS Confidential Information.
- g. 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:
 - (1) A minimum length of 8 characters, and containing at least three of the following character classes: uppercase letters, lowercase letters, numerals, and special characters such as an asterisk, ampersand, or exclamation point.
 - (2) That a password does not contain a user's name, logon ID, or any form of their full name.
 - (3) 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.
 - (4) That passwords are significantly different from the previous four passwords. Passwords that increment by simply adding a number are not considered significantly different.
- h. When accessing Confidential Information from an external location (the Data will traverse the Internet or otherwise travel outside the Contractor's network), mitigate risk and enforce password and logon requirements for users by employing measures including:

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- (1) Ensuring mitigations applied to the system don't allow end-user modification.
 - (2) Not allowing the use of dial-up connections.
 - (3) Using industry standard protocols and solutions for remote access. Examples would include RADIUS and Citrix.
 - (4) 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.
 - (5) Ensuring that the remote access system prompts for re-authentication or performs automated session termination after no more than 30 minutes of inactivity.
 - (6) Ensuring use of Multi-factor Authentication to connect from the external end point to the internal end point.
- i. Passwords or PIN codes may meet a lesser standard if used in conjunction with another authentication mechanism, such as a biometric (fingerprint, face recognition, iris scan) or token (software, hardware, smart card, etc.) in that case:
 - (1) The PIN or password must be at least 5 letters or numbers when used in conjunction with at least one other authentication factor
 - (2) Must not be comprised of all the same letter or number (11111, 22222, aaaaa, would not be acceptable)
 - (3) Must not contain a "run" of three or more consecutive numbers (12398, 98743 would not be acceptable)
 - j. If the contract specifically allows for the storage of Confidential Information on a Mobile Device, passcodes used on the device must:
 - (1) Be a minimum of six alphanumeric characters.
 - (2) Contain at least three unique character classes (upper case, lower case, letter, number).
 - (3) Not contain more than a three consecutive character run. Passcodes consisting of 12345, or abcd12 would not be acceptable.
 - k. Render the device unusable after a maximum of 10 failed logon attempts.
5. **Protection of Data.** The Contractor agrees to store Data on one or more of the following media and protect the Data as described:
- a. **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.
 - b. **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

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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 DSHS Confidential Information stored on these disks, deleting unneeded Data is sufficient as long as the disks remain in a Secure Area and otherwise meet the requirements listed in the above paragraph. Destruction of the Data, as outlined below in Section 8 Data Disposition, may be deferred until the disks are retired, replaced, or otherwise taken out of the Secure Area.

- c. **Optical discs (CDs or DVDs) in local workstation optical disc drives.** Data provided by DSHS on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secure Area. When not in use for the contracted purpose, such discs must be Stored in a Secure Area. Workstations which access DSHS 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.
- d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS on optical discs which will be attached to network servers and which will not be transported out of a Secure 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.
- e. **Paper documents.** Any paper records must be protected by storing the records in a Secure Area which is only accessible to authorized personnel. When not in use, such records must be stored in a Secure Area.
- f. **Remote Access.** Access to and use of the Data over the State Governmental Network (SGN) or Secure Access Washington (SAW) will be controlled by DSHS staff who will issue authentication credentials (e.g. a Unique User ID and Hardened Password) to Authorized Users on Contractor's staff. Contractor will notify DSHS staff 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 Contract.
- g. **Data storage on portable devices or media.**
 - (1) Except where otherwise specified herein, DSHS Data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the terms and conditions of the Contract. If so authorized, the Data shall be given the following protections:
 - (a) Encrypt the Data.
 - (b) Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.

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- (c) 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.
- (d) Apply administrative and physical security controls to Portable Devices and Portable Media by:
 - i. Keeping them in a Secure Area when not in use,
 - ii. Using check-in/check-out procedures when they are shared, and
 - iii. Taking frequent inventories.
- (2) When being transported outside of a Secure Area, Portable Devices and Portable Media with DSHS Confidential Information must be under the physical control of Contractor staff with authorization to access the Data, even if the Data is encrypted.
- h. Data stored for backup purposes.**
 - (1) DSHS Confidential Information 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 DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements below in Section 8 *Data Disposition*.
 - (2) Data may be stored on non-portable media (e.g. Storage Area Network drives, virtual media, etc.) as part of a 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 exhibit. If this media is retired while DSHS Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements below in Section 8 *Data Disposition*.
- i. Cloud storage.** DSHS Confidential Information requires protections equal to or greater than those specified elsewhere within this exhibit. Cloud storage of Data is problematic as neither DSHS nor the Contractor has control of the environment in which the Data is stored. For this reason:
 - (1) DSHS Data will not be stored in any consumer grade Cloud solution, unless all of the following conditions are met:
 - (a) Contractor has written procedures in place governing use of the Cloud storage and 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.
 - (d) The Data will remain Encrypted at all times while residing within the Cloud storage solution.
 - (e) The Contractor will possess a decryption key for the Data, and the decryption key will be possessed only by the Contractor and/or DSHS.

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(f) The Data will not be downloaded to non-authorized systems, meaning systems that are not on either the DSHS or Contractor networks.

(g) The Data will not be decrypted until downloaded onto a computer within the control of an Authorized User and within either the DSHS or Contractor's network.

(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.

(3) If the Data includes protected health information covered by the Health Insurance Portability and Accountability Act (HIPAA), the Cloud provider must sign a Business Associate Agreement prior to Data being stored in their Cloud solution.

6. **System Protection.** To prevent compromise of systems which contain DSHS Data or through which that Data passes:

a. Systems containing DSHS Data must have all security patches or hotfixes applied within 3 months of being made available.

b. The Contractor will have a method of ensuring that the requisite patches and hotfixes have been applied within the required timeframes.

c. Systems containing DSHS Data shall have an Anti-Malware application, if available, installed.

d. 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.

7. **Data Segregation.**

a. DSHS Data must be segregated or otherwise distinguishable from non-DSHS data. This is to ensure that when no longer needed by the Contractor, all DSHS Data can be identified for return or destruction. It also aids in determining whether DSHS 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.

(1) DSHS Data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS Data. And/or,

(2) DSHS Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS Data. And/or,

(3) DSHS Data will be stored in a database which will contain no non-DSHS data. And/or,

(4) DSHS Data will be stored within a database and will be distinguishable from non-DSHS data by the value of a specific field or fields within database records.

(5) When stored as physical paper documents, DSHS Data will be physically segregated from non-DSHS data in a drawer, folder, or other container.

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b. When it is not feasible or practical to segregate DSHS Data from non-DSHS data, then both the DSHS Data and the non-DSHS data with which it is commingled must be protected as described in this exhibit.

8. **Data Disposition.** When the contracted work has been completed or when the Data is no longer needed, except as noted above in Section 5.b, Data shall be returned to DSHS 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 assures that the confidentiality of Data will be protected. |
| 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 coarse abrasive |
| Magnetic tape | Degaussing, incinerating or crosscut shredding |

9. **Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS shared Data must be reported to the DSHS Contact designated in the Contract within one (1) business day of discovery. If no DSHS Contact is designated in the Contract, then the notification must be reported to the DSHS Privacy Officer at dshsprivacyofficer@dshs.wa.gov. Contractor must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or DSHS.

10. **Data shared with Subcontractors.** If DSHS 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 subcontractor must be submitted to the DSHS Contact specified for this contract for review and approval.