	INTERLOCAL DATASHARE AGREEMENT	DSHS Agreement Number:
Washington State Department of Social & Health Services *Transforming lives*	**Child Support Collections**	1691-56113

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 Washington State Lottery		CONTRACTOR doing business as (DBA)	
CONTRACTOR ADDRESS PO Box 43000 Olympia, WA 98504		WASHINGTON UNIFORM BUSINESS IDENTIFIER (UBI)	DSHS INDEX NUMBER 2463
CONTRACTOR CONTACT Debbie Robinson	CONTRACTOR TELEPHONE (360) 664-4814	CONTRACTOR FAX	CONTRACTOR E-MAIL ADDRESS DRobinson@walottery.com

DSHS ADMINISTRATION Economic Services Administration	DSHS DIVISION Division of Child Support		DSHS CONTRACT CODE 3000DC-91
DSHS CONTACT NAME AND TITLE Alicia Morales Program Administrator	DSHS CONTACT ADDRESS 712 Pear St SE Olympia, WA 98501		
DSHS CONTACT TELEPHONE (360) 664-5350	DSHS CONTACT FAX (360) 664-5340	DSHS CONTACT E-MAIL ADDRESS amorales@dshs.wa.gov	

IS THE CONTRACTOR A SUBRECIPIENT FOR PURPOSES OF THIS CONTRACT? No	CFDA NUMBER(S)

AGREEMENT START DATE 01/01/2016	AGREEMENT END DATE 01/31/2023	MAXIMUM AGREEMENT AMOUNT No Payment

EXHIBITS. The following Exhibits are attached and are incorporated into this Agreement by reference:

☒ **Data Security: Exhibit A – Data Security**

☐ **Exhibits (specify):**

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 *Crystal Fischer*	PRINTED NAME AND TITLE Crystal Fischer CIO	DATE SIGNED 6/28/16
DSHS SIGNATURE	PRINTED NAME AND TITLE Ann Polanco, Contract Manager DSHS/ESA/Division of Child Support	DATE SIGNED 6/28/16

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 Contract 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. "Contracts Administrator" means the manager, or successor, of Central Contract 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.

Note: If the DSHS Data Security Requirements Exhibit is attached to this contract, this item, 6.b.(4), is superseded by the language contained in the Exhibit.

(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

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

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. 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 subsubsection, "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 DSHS Contracts Administrator 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.** Disputes shall be determined by a Dispute Board. Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an

additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms, and applicable statutes and rules and make a determination of the dispute. As an alternative to this process, either party may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process shall control. Participation in either dispute process shall precede any judicial or quasi-judicial action and shall be the final administrative remedy available to the parties.

18. **Hold Harmless.**

   a. 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, or any Subcontractor's, performance or failure to perform this Agreement, or the acts or omissions of the Contractor or any Subcontractor. 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.

   b. The Contractor waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless the State and its agencies, officials, agents, or employees.

19. **Ownership of Material.** Material created by the Contractor and paid for by DSHS as a part of this Contract shall be owned by DSHS and shall be "work made for hire" as defined by Title 17 USCA, Section 101. 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 which the Contractor uses to perform the Contract but is not created for or paid for by DSHS is owned by the Contractor and is not "work made for hire"; however, DSHS shall have a perpetual license to use this material for DSHS internal purposes at no charge to DSHS, provided that such license shall be limited to the extent which the Contractor has a right to grant such a license.

20. **Subrecipients.**

   a. General. If the Contractor is a subrecipient of federal awards as defined by 2 CFR Part 200 and 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 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.

Special Terms & Conditions

1.   **Definitions Specific to Special Terms.** The words and phrases listed below, as used in this Contract, shall each have the following definitions:

    a.   "Data" means the information that is disclosed or exchanged as described by this Agreement and includes all Data defined in the term Confidential Information.

    b.   "Data Provider," as used in the Special Terms and Conditions of this Agreement, means the entity that is disclosing their Data for use by the Data Recipient for completion of this contract.

    c.   "Data Recipient," as used in the Special Terms and Conditions of this Agreement, means the entity that is receiving the Data from the Data Provider for purposes of completion of this contract.

1.   **Purpose.** The purpose of this Contract is to:

45 CFR 303.3, authorizes state child support agencies to identify sources of income or assets of noncustodial parents, for the purposes of child support enforcement actions.

RCW 67.70.255, allows any state agency or political subdivision that maintains records of debts owed to the state or political subdivisions, or that the state is authorized to enforce or collect, may share data containing debt information to the lottery in an agreed upon format. State agencies or political subdivisions submitting debt information data shall provide updates on a regular basis at intervals not to exceed one month and shall be solely responsible for the accuracy of the information contained therein.

2.   **Statement of Work.** The Contractor shall provide the services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

    a.   For the purpose of enforcement and collection of child support debts, DCS will provide the Lottery with obligor debt information. The Lottery is responsible for protecting information received pursuant to this agreement from unauthorized disclosure. Information received from DCS is confidential, pursuant to the provisions of RCW 26.23.120. Re-disclosure of information provided by DCS under this agreement is prohibited under 42 USC 654(26).

        (1) In the event of a Lottery winner/agency debtor match, Lottery personnel shall contact designated DCS staff. DCS will provide to Lottery the names of designated contact staff, consisting of one primary and two alternates.

        (2) DCS must verify the debt within two working days of notification by the Lottery. If DCS does not verify the debt within two working days, the Lottery may release the prize payment to the winner.

    b.   Description of Data

        (1) Data elements: Obligor data will include full name, social security number, and case number. Additional data fields are Agency identifier (with VALUE 3000000100) and date of run.

        (2) Time frame(s) for Data disclosure or exchange: DCS shall submit a file transfer containing debtor information on the 10th and 25th of each month.

        (3) Conditions under which, if any, that Data disclosed or exchanged can be linked to other data: DCS data will be matched with Lottery winner information.

    c.   Data Access or Transfer

Special Terms & Conditions

(1) Method. Following data extraction, the data will be transferred using a File Transfer Protocol (FTP) already in place with the Washington State Lottery Commission. An email transmittal to Helpdesk@walottery.com is sent confirming the FTP action.

(2) Requirements for Access. Access to Data shall be limited to staff whose duties specifically require access to such Data in the performance of their assigned duties. Prior to making Data available to its staff, Data Recipient shall notify all such staff of the Use and Disclosure requirements. All staff accessing the data shall then sign a statement in which they agree to adhere to the Use and Disclosure requirements and a list of such staff and their statements, with their signatures, shall be updated as necessary and submitted to the Data Provider upon request.

(3) Frequency of Exchange. DCS will submit a file to the Lottery on the 10th and 25th of each month.

d. Limitations on Use of Data

If the Data and analyses generated by Data Recipient contain personal information about DSHS clients, then any and all reports utilizing these Data shall be subject to review and approval by the Data Provider prior to publication in any medium or presentation in any forum.

e. Limitations on Storage of Data

Data will not be stored on or transferred to portable devices or media by the Contractor unless specifically authorized within the terms and conditions of the Contract. If so authorized, the Data shall be given the required protections as specified in the Data Security Requirements Exhibit A.

Exhibit A

DSHS DATA SECURITY REQUIREMENTS

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

    a. **"Authorized User(s)"** means an individual or individuals with an authorized business requirement to access DSHS Confidential Information.

    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. Email or facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.

    d. **"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.

    e. **"DSHS"** or the **"Department"** means the state of Washington Department of Social and Health Services and its employees and authorized agents.

    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 Federal Information Processing Standard (FIPS) 140-2 validated algorithms. Cryptographic keys must use a security strength of 112 bits be and must be generated and stored in a secure manner that prevents loss, theft, or compromise.

    g. **"Hardened Password"** means a string of at least eight characters containing at least one alphabetic character, at least one number and at least one special character such as an asterisk, ampersand or exclamation point.

    h. **"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.

    i. **"Physically Secure"** means that access is restricted through physical means to authorized individuals only.

    j. **"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/.

    k. **"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.

    l. **"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.

m. **"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.

n. **"Trusted System(s)"** 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.

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. **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:

      i.   as provided by law; or,

      ii. 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:

      i.   Allowing access only to staff that have an authorized business requirement to view the Data.

      ii. Physically Securing any computers, documents, or other media containing the Data.

      iii. Sending paper documents containing DSHS Data via a Trusted System.

3. **Data Transport.** When transporting DSHS Confidential Information electronically, including via email, the Data will be protected by:

   a. Transporting the Data within the (State Governmental Network) SGN or Contractor's internal network, or;

   b. Encrypting any Data that will be in transit outside the SGN or Contractor's internal network. This includes transit over the public Internet.

4. **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** 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.

Exhibit A – Data Security Requirements

b. **Network server disks.** 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 DSHS 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 Section 4. Data Disposition may be deferred until the disks are retired, replaced, or otherwise taken out of the Secured Area.

c. **Optical discs (CDs or DVDs).** While in use for the contracted purpose, optical discs will be mounted within the optical disc drive of a workstation or server. These computers will be located within a Secured Area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism. When not in use, optical discs which are not transported out of a Secured Area will be stored in a locked drawer, cabinet, or other non-portable container to which only Authorized Users have the key, combination, or other mechanism required to access the contents of the container. If an optical disc containing DSHS Data is to be transported outside of a Secured Area, or used within the optical disc drive of a laptop computer, the Data on the disc shall be encrypted in accordance with (cite – Cryptographic Requirements for DSHS Data).

d. **Cloud storage.** If DSHS Confidential data will be stored in the cloud, the data must be encrypted at rest and transit, and the cloud provider must not possess the key(s) required to decrypt the data. Encryption keys must be held by DSHS or the Contractor. Contractor will be responsible for providing the DSHS Information Security Office with a comprehensive enumeration of the administrative, physical, and technical controls used by the cloud provider to securely store the DSHS data. If the DSHS Confidential data includes HIPAA data, then a Business Associates Agreement must be executed with the cloud provider prior to storage of the data with the cloud provider.

e. **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 locked container, such as a file cabinet, locking drawer, or safe, to which only authorized persons have access.

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 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.** 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:

     i.   Encrypt the Data with a key length of at least 128 bits

     ii. Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.

     iii. 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.

     iv. Physically secure the portable device(s) and/or media by

     v. Keeping them in locked storage when not in use

     vi. Using check-in/check-out procedures when they are shared, and

     vii. Taking frequent inventories

     viii. When being transported outside of a Secured Area, portable devices and media with DSHS Confidential Information must be under the physical control of Contractor staff with authorization to access the Data.

     ix. Portable devices include, but are not limited to; smart phones, tablets, flash memory devices (e.g. USB flash drives, personal media players), portable hard disks, and laptop/notebook/netbook computers if those computers may be transported outside of a Secured Area.

     x. Portable media includes, but is not limited to; optical media (e.g. CDs, DVDs), magnetic media (e.g. floppy disks, tape), or flash media (e.g. CompactFlash, SD, MMC).

  h. Data stored for backup purposes

     i.   DSHS 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 DSHS Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements in Section 6.

     ii. DSHS 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 in Section 6. Data Disposition.

5. **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.

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

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

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

e. 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.

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

g. 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.

6. **Data Disposition.** When the contracted work has been completed or when no longer needed, except as noted in 4.b above, 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

7. **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 without any undo delay after discovery, unless otherwise

required by BAA or federal requirements (See regulations in Section 6.0). 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.

8. 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 sub-Contractor must be submitted to the DSHS Contact specified for this contract for review and approval.