AGREEMENT FOR SERVICES OF CONTRACTOR ON PAYROLL

THIS AGREEMENT (hereafter Agreement) is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereafter COUNTY) and <u>John Snyder</u> with a principal place of business at <u>Santa Barbara, CA</u> (hereafter CONTRACTOR) wherein CONTRACTOR agrees to provide and COUNTY agrees to accept the services specified herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1.   **DESIGNATED REPRESENTATIVE.** <u>Joni Maiden</u> at phone number <u>(805)568-2343</u> the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. <u>John Snyder</u> at phone number <u>(805)680-6780</u> is the authorized representative for CONTRACTOR. Changes in designated representatives shall be made only after advance written notice to the other party.

2.   **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first class mail, postage prepaid, delivered as follows:

To COUNTY: <u>4 Carrillo Street, Santa Barbara, CA 93101</u>
To CONTRACTOR: _____

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3.   **SCOPE OF SERVICES.** CONTRACTOR agrees to provide services to COUNTY in accordance with EXHIBIT A attached hereto and incorporated herein by reference.

4.   **TERM.** CONTRACTOR shall commence performance on <u>March 21, 2017</u> and end performance upon completion, but no later than <u>June 16, 2017</u> unless otherwise directed by COUNTY or unless earlier terminated.

5.   **COMPENSATION OF CONTRACTOR.** CONTRACTOR shall be paid for performance under this Agreement in accordance with the terms of EXHIBIT B attached hereto and incorporated herein by reference. The maximum payment under this Agreement shall not be exceeded without a written notice from COUNTY.

6.   **CONTRACTOR ON PAYROLL STATUS.** CONTRACTOR understands and agrees that CONTRACTOR's term of work is governed solely by this Agreement; and that no right of tenure is created hereby; and that he/she does not and will not, by virtue of this Agreement, hold a position in any department or office of the COUNTY; and that CONTRACTOR's services to the COUNTY under this Agreement are authorized pursuant to Government Code Section 31000. To the extent that this Agreement can be construed as an agreement of employment, such employment is at-will, and it shall remain at-will unless and until the parties expressly state their intention to make it otherwise, in a writing signed by the CONTRACTOR and a duly-authorized representative of the COUNTY. CONTRACTOR warrants that CONTRACTOR is fully licensed to perform all work contemplated in this Agreement, and CONTRACTOR agrees to submit verification of licensure.

7. **BENEFITS.**

A. Standard benefits: COUNTY shall pay the following costs: Employer's share of either Social Security (aka FICA) or the Social Security Alternative Plan (aka SSAP); employer's share of federal Medicare health insurance; County workers' compensation insurance; State unemployment insurance; and travel expense reimbursement for mileage claims with prior written authorization.

B. Paid leave: CONTRACTOR shall receive paid leave as specified in Exhibit B. Paid leave shall be taken at a time determined and agreed upon in advance between CONTRACTOR and COUNTY's designated representative. Accumulated paid leave must be taken within the contract period, as paid leave cannot be accrued to subsequent agreements; unused paid leave will be lost upon expiration of the Agreement. Unused paid leave will be paid out if the contract is terminated early by COUNTY. CONTRACTOR may use his or her paid leave specified in Exhibit B for holidays, vacations, sickness, jury duty, and any other absence from work, and is not otherwise entitled to any additional paid holidays, vacation, sick leave or other leave. Special requirements may apply to CONTRACTOR's coding of his or her time card in order to be able to receive paid leave.

C. Retirement: CONTRACTOR shall be a member of the Santa Barbara County Employees Retirement System ONLY if both of these conditions are true: 1) CONTRACTOR is required to work at least forty (40) hours per bi-weekly pay period; and 2) CONTRACTOR's assignment is not deemed by COUNTY to be temporary, intermittent, or seasonal. Retirement benefits shall be pro-rated according to the applicable percentage of a full-time equivalent (i.e. .5, .6, .625, .75, .8, .875, .9, or 1.0).

D. Other:

(i) CONTRACTOR will be offered health insurance coverage upon execution of the contract if the CONTRACTOR is scheduled to work at least 30 hours per week during the contract period. CONTRACTOR will be offered health insurance coverage if the CONTRACTOR works an average at least 30 hours or more per week, over a standard measurement period of 26 pay periods.

(ii) CONTRACTOR is responsible for licensure fees, subscriptions to journals and other professional expenses not specifically detailed in this Agreement.

(iii) CONTRACTOR may be permitted to use COUNTY vehicles as part of CONTRACTOR's assignment and shall maintain a valid California Driver's License.

(iv) COUNTY may reimburse CONTRACTOR for necessary and prior-approved out-of-pocket expenses while performing required services for COUNTY, in accordance with COUNTY policy. All travel claims and other claim documents, when applicable, must include the board contract number. If the invoice does not properly reference the contract number, those invoices may be returned, delaying payment.

(v) Except as required by law, CONTRACTOR is not eligible for any other job benefits accruable to an employee in the classified service of the COUNTY, unless otherwise specified herein or in Exhibit B.

8. **STANDARD OF PERFORMANCE.** CONTRACTOR represents that CONTRACTOR has the skills, expertise, and licenses/permits necessary to perform the services required

under this Agreement. Accordingly, CONTRACTOR shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which CONTRACTOR is engaged. All products of whatsoever nature, which CONTRACTOR delivers to COUNTY pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CONTRACTOR shall correct or revise any errors or omissions, at COUNTY'S request without additional compensation. Permits and/or licenses shall be obtained and maintained by CONTRACTOR without additional compensation.

9. **TAXES.** The COUNTY shall pay CONTRACTOR for professional services pursuant to this Agreement, payable upon biweekly submission of a time card, and such payment shall be subject to deductions and include withholding of state and federal taxes as specified in Section 7(A) herein.

10. **CONFLICT OF INTEREST.** CONTRACTOR covenants that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR. Contractor must promptly disclose to the COUNTY, in writing, any potential conflict of interest.

11. **NONAPPROPRIATION.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated and budgeted or funds are otherwise not available for payments in the fiscal year covered by the term of the Agreement, then COUNTY will immediately notify CONTRACTOR of such occurrence and the Agreement may be terminated by COUNTY, with or without the prior notice specified in the Termination section of this Agreement. Subsequent to termination of this Agreement under this provision, COUNTY shall have no obligation to make payments with regard to the remainder of the term.

12. **OWNERSHIP OF DOCUMENTS.** COUNTY shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of COUNTY.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of COUNTY. COUNTY shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

13. **DEFENSE AND INDEMNIFICATION.** COUNTY will defend and indemnify CONTRACTOR against any claim, lawsuit, or judgment arising out of CONTRACTOR's performance of duties under this Agreement.

CONTRACTOR agrees to notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

CONTRACTOR shall bear the cost of CONTRACTOR's own defense and liability for any act or omission arising from professional duties outside the scope of this Agreement. Nothing contained herein shall be deemed to increase COUNTY's liability beyond limitations set forth by law.

14. **NONDISCRIMINATION.** COUNTY hereby notifies CONTRACTOR that COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to

this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and CONTRACTOR agrees to comply with said ordinance. CONTRACTOR agrees to comply with COUNTY's Anti-Harassment Policy.

15. **NONEXCLUSIVE AGREEMENT.** CONTRACTOR understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by CONTRACTOR as the COUNTY desires.

16. **ASSIGNMENT.** CONTRACTOR shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of COUNTY and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

17. **TERMINATION.** Either of the parties hereto may, for any reason, prior to the expiration date of this Agreement, cancel and terminate this Agreement upon thirty (30) days' written notice to the other. Upon a material breach of the terms and conditions of the Agreement by one of the parties, the non-breaching party (including Designated Representative's superiors) may terminate this Agreement upon the mailing of a written notice of termination to the breaching party. Written notification as required under this paragraph shall be given by CONTRACTOR to the COUNTY Designated Representative. Written notification by COUNTY shall be given to the CONTRACTOR. In the case of material breach (including but not limited to: grossly negligent conduct, malpractice or criminal conduct, etc.) by CONTRACTOR, the Designated Representative or designee may immediately terminate the Agreement.

Upon termination, CONTRACTOR shall cease work (unless the notice directs otherwise), and deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by CONTRACTOR in performing this Agreement, whether completed or in process.

Notwithstanding any other payment provision of this Agreement, COUNTY shall pay CONTRACTOR for service performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall CONTRACTOR be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service.

18. **SECTION HEADINGS.** The headings of the several sections, and any Table of Contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

19. **SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

20. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

21. **NO WAIVER OF DEFAULT.** No delay or omission of COUNTY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and

remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

22. **ENTIRE AGREEMENT AND AMENDMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

23. **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

24. **COMPLIANCE WITH LAW.** CONTRACTOR shall, at CONTRACTOR's sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether COUNTY is a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and COUNTY.

25. **CALIFORNIA LAW.** This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

26. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

27. **AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, CONTRACTOR hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which CONTRACTOR is obligated, which breach would have a material effect hereon.

28. **PRECEDENCE.** In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions contained in the numbered sections shall prevail over those in the Exhibits.

29. **SURVIVAL:** All provisions which by their nature are intended to survive the termination of this Agreement shall survive termination of this Agreement.

30. **INFORMATION PRIVACY AND SECURITY REQUIREMENTS.** Contractor agrees to the terms and conditions set forth in Exhibit E – Information Privacy and Security Requirements and Exhibit E.1 – Data Security Standards, attached hereto and incorporated herein by reference.

31. **MANDATORY DISCLOSURE.** Contractor must disclose, in a timely manner, in

writing to the COUNTY all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. CONTRACTOR is required to report certain civil, criminal, or administrative proceedings to the System for Award Management (SAM) located at www.sam.gov. Failure to make required disclosures can result in any of the remedies described in 2 CFR §200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR part 180 and 31 U.S.C. 3321.)

32.   **DEBARMENT AND SUSPENSION**. CONTRACTOR certifies to COUNTY that it and its employees and principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. CONTRACTOR certifies that it shall not contract with a subcontractor that is so debarred or suspended.

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Agreement for Services of Contractor on Payroll between the **County of Santa Barbara** and
John Snyder

‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ **IN WITNESS WHEREOF,** the parties have executed this Agreement to be effective on
March 14, 2017

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board

By: _____
‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ Deputy Clerk

**RECOMMENDED FOR
APPROVAL:**

_____

By: _____
‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ Department Head

APPROVED AS TO FORM:
Michael C. Ghizzoni
County Counsel

By: _____
‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ Deputy County Counsel

APPROVED AS TO FORM:
Risk Management

By: _____
‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ Risk Management

COUNTY OF SANTA BARBARA:

By: _____
‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ Chair, Board of Supervisors

Date: _____

CONTRACTOR:

_____

By: _____
‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ Authorized Representative

Name: _JOHN SNYDER_____

Title: _____

**APPROVED AS TO ACCOUNTING
FORM:**
Theodore A. Fallati, CPA
Auditor-Controller

By: _____
‎ ‎ ‎ ‎ ‎ ‎ ‎ ‎ Deputy

EXHIBIT A CONTRACTOR ON PAYROLL

STATEMENT OF WORK

- Analyze the Department of Child Support Services' Case Management Tool (CMT) from a security and reporting standpoint and develop a recommendation regarding the use of the tool on a prospective basis within the Department. In the event a recommendation is made to continue to use the CMT, develop a plan (including necessary expenditures of time and money) to ensure that data accessible by the CMT is secure and protected from unauthorized use and disclosure.

- Secondarily, and as time allows, assist with improving reporting functionality (for example, the Q553 payment report and the "1257/Top 5 reports") both within and outside of the CMT.

- Finally, and as time allows, review the Safeguards Security Report (SSR) as issued by the State and suggest appropriate action(s).

EXHIBIT B CONTRACTOR ON PAYROLL

COMPENSATION

1.   COUNTY shall pay CONTRACTOR at a rate of $150 per hour not to exceed 80 total paid hours. In no event shall the compensation payable exceed the total sum of $12,000 without written amendment approved by COUNTY.

2.   COUNTY shall pay CONTRACTOR for professional services pursuant to this Agreement upon biweekly submission by CONTRACTOR of a timesheet, and such payment shall be subject to deductions and withholding of state and federal taxes.

3.   Contractor shall be eligible for paid leave of 24 hours if he or she works for 30 or more days for the County within a year. Additionally, Contractor must be employed by the County for a period of 90 days before being eligible to use paid leave granted.

EXHIBIT E
INFORMATION PRIVACY AND SECURITY REQUIREMENTS

This Information Privacy and Security Requirements Exhibit (hereinafter referred to as "this Exhibit") sets forth the information privacy and security requirements **John Snyder** (herein referred to as "Contractor") is obligated to follow with respect to any personal and confidential information (as defined herein) disclosed to Contractor, or collected, created, stored, transmitted or used by Contractor for or on behalf of the California Department of Child Support Services (hereinafter "DCSS"), pursuant to Contractor's agreement with DCSS. (Such personal and confidential information is referred to herein collectively as "DCSS PCI".) DCSS and Contractor desire to protect the privacy and provide for the security of DCSS PCI pursuant to this Information Privacy and Security Requirements (IPSR) Exhibit and in compliance with State and Federal laws applicable to the DCSS PCI:

- CA FC §17212
- Title 22 CCR §111430
- Title 22 CCR §111440
- CA CC §1798.29 et seq.

1. Order of Precedence

   With respect to information privacy and security requirements for all DCSS PCI, the terms and conditions of this Exhibit shall take precedence over any conflicting terms or conditions set forth in any other part of the agreement between Contractor and DCSS, including Exhibit A, Scope of Work, all other exhibits and any other attachments, and shall prevail over any such conflicting terms or conditions.

2. Exceptions and Exclusions

   Any and all exceptions and exclusions to this Exhibit and Exhibit E.1, Data Security Standards, must be approved by the DCSS Information Security Office (ISO). If terms described in this Exhibit and Exhibit E.1 are considered not applicable according to specific or unique terms defined in other Exhibits, exceptions or exclusions will be detailed in Exhibit E.2, Exceptions and Exclusions, to this Exhibit.

3. Effect on Lower Tier Transactions

   The terms of this Exhibit apply to all contracts, subcontracts, subawards, scope/statements of work (SOW), Memorandums of Understanding (MOU), and interagency agreements (IAA). The Contractor is obligated to follow the information privacy and security requirements with respect to DCSS PCI disclosed to Contractor, or collected, created, stored, transmitted or used by Contractor for or on behalf of DCSS, pursuant to Contractor's agreement with DCSS. When applicable and appropriate, the Contractor shall incorporate the relevant provisions of this Exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.

4. Definitions

   For purposes of the agreement between Contractor and DCSS, including this Exhibit, the following definitions shall apply:

   A. Breach: "Breach" means:

      1) the unauthorized acquisition, access, use, or disclosure of DCSS PCI in a manner which compromises the security, confidentiality or integrity of the information; or

EXHIBIT E continued

    2) the same as the definition of "breach of the security of the system" set forth in California Civil Code section 1798.29(f).

B. <u>Confidential Information</u>: "Confidential information" means information that:

    1) does not meet the definition of "public records" set forth in California Government Code section 6252(e), or is exempt from disclosure under any of the provisions of Section 6250, et seq. of the California Government Code or any other applicable state or federal laws; or

    2) is contained in documents, files, folders, books or records that are clearly labeled, marked or designated with the word "confidential" by DCSS; or

    3) is "personal information" as defined in this Exhibit.

C. <u>Disclosure</u>: "Disclosure" means the release, transfer, provision of, access to, or divulging in any other manner of information.

D. <u>Personal Information</u>: "Personal information" means information, in any medium (paper, electronic, oral) that:

    1) by itself directly identifies or uniquely describes an individual; or

    2) creates a substantial risk that it could be used in combination with other information to indirectly identify or uniquely describe an individual, or link an individual to the other information; or

    3) meets the definition of "personal information" set forth in California Civil Code section 1798.3(a) or

    4) is one of the data elements set forth in California Civil Code section 1798.29(g)(1) or (2); or

    5) meets the definition of "medical information" set forth in either California Civil Code section 1798.29(h)(2) or California Civil Code section 56.05(j); or

    6) meets the definition of "health insurance information" set forth in California Civil Code section 1798.29(h)(3); or

    7) is protected from disclosure under applicable state or federal law.

E. <u>Security Incident</u>: "Security incident" means:

    1) an attempted breach; or

    2) the attempted or successful modification or destruction of DCSS PCI, in violation of any state or federal law or in a manner not permitted under the agreement between Contractor and DCSS, including this Exhibit; or

    3) the attempted or successful modification or destruction of, or interference with, Contractor's system operations in an information technology system that negatively impacts the confidentiality, availability or integrity of DCSS PCI.

F. <u>Use</u>: "Use" means the sharing, employment, application, utilization, examination, or analysis of information.

5. <u>Disclosure Restrictions</u>

The Contractor and its employees, agents, or sub-contractors shall protect from unauthorized disclosure any DCSS PCI. The Contractor shall not disclose, except as otherwise specifically permitted by the agreement between Contractor and DCSS (including this Exhibit), any DCSS PCI to anyone other than DCSS without prior written authorization from the DCSS Program Contract Manager, except if disclosure is required by State or Federal law.

EXHIBIT E continued

6. <u>Use Restrictions</u>

The Contractor and its employees, agents, or subcontractors shall not use any DCSS PCI for any purpose other than carrying out the Contractor's obligations under its agreement with DCSS.

7. <u>Safeguards</u>

The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the privacy, security, confidentiality, integrity, and availability of DCSS PCI, including paper or electronic DCSS PCI. At each location where DCSS PCI is located, the Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities in performing its agreement with DCSS, including this Exhibit, and which incorporates the requirements of Section 8, Security, below. Contractor shall provide DCSS with Contractor's current and updated policies.

8. <u>Security</u>

The Contractor shall take any and all steps reasonably necessary to ensure the continuous security of all computerized data systems containing DCSS PCI. These steps shall include, at a minimum, complying with all of the data system security precautions listed in the Data Security Standards set forth in Exhibit E.1 to this Exhibit.

9. <u>Security Officer</u>

At each location where DCSS PCI is located, the Contractor shall designate a Security Officer to oversee its compliance with this Exhibit and for communicating with DCSS on matters concerning this Exhibit.

10. <u>Training</u>

The Contractor shall provide training on its obligations under this Exhibit, at its own expense, to all of its employees who assist in the performance of Contractor's obligations under Contractor's agreement with DCSS, including this Exhibit, or otherwise use or disclose DCSS PCI.

A. The Contractor shall require each employee who receives training to certify, either in hard copy or electronic form, the date on which the training was completed.

B. The Contractor shall retain each employee's certifications for DCSS inspection for a period of three (3) years following contract termination.

11. <u>Employee Discipline</u>

Contractor shall impose discipline that it deems appropriate (in its sole discretion) on such employees and other Contractor workforce members under Contractor's direct control who intentionally violate any provisions of this Exhibit.

12. <u>Breach and Security Incident Responsibilities</u>

A. <u>Notification to DCSS of Breach or Security Incident</u>: The Contractor shall notify DCSS **immediately by telephone call and email** upon the discovery of a breach (as defined in this Exhibit), or **within 24 hours by email** of the discovery of any security incident (as defined in this

EXHIBIT E continued

Exhibit), unless a law enforcement agency determines that the notification will impede a criminal investigation, in which case the notification required by this section shall be made to DCSS immediately after the law enforcement agency determines that such notification will not compromise the investigation. Notification shall be provided to the DCSS Program Contract Manager and the DCSS Chief Information Security Officer, using the contact information listed in Section 12., F., below. If the breach or security incident is discovered after business hours or on a weekend or holiday and involves DCSS PCI in electronic or computerized form, notification to DCSS shall be provided using the contact information listed in Section 12., F., below. For purposes of this Section, breaches and security incidents shall be treated as discovered by Contractor as of the first day on which such breach or security incident is known to the Contractor.

Contractor shall take:

1) prompt corrective action to mitigate any risks or damages involved with the breach or security incident and to protect the operating environment; and
2) any action pertaining to a breach required by applicable federal and state laws, including, specifically, California Civil Code section 1798.29.

B. Investigation of Breach: The Contractor shall immediately investigate such breach or security incident. As soon as the information is known and subject to the legitimate needs of law enforcement, Contractor shall inform the DCSS Program Contract Manager and the DCSS Chief Information Security Officer of:

1) what data elements were involved and the extent of the data involved in the breach, including, specifically, the number of individuals whose personal information was breached;
2) a description of the unauthorized persons known or reasonably believed to have improperly used the DCSS PCI and/or a description of the unauthorized persons known or reasonably believed to have improperly accessed or acquired the DCSS PCI, or to whom it is known or reasonably believe have had the DCSS PCI improperly disclosed to them;
3) a description of where the DCSS PCI is believed to have been improperly used or disclosed;
4) a description of the probable causes of the breach or security incident; and
5) whether Civil Code sections 1798.29 or any other federal or state laws requiring individual notifications of breaches have been triggered.

DCSS reserves the right to participate in the investigation of a security incident involving DCSS PCI or conduct its own independent investigation, and Contractor shall cooperate fully in such investigations.

C. Written Report: The Contractor shall provide a written report of the investigation to the DCSS Program Contract Manager and the DCSS Chief Information Security Officer as soon as practicable after the discovery of the breach or security incident. The report shall include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the breach or security incident, and measures to be taken to prevent the recurrence of such breach or security incident.

D. Notification to Individuals: If notification to individuals whose information was breached is required under state or federal law, and regardless of whether Contractor is considered only a custodian and/or non-owner of the DCSS PCI, Contractor shall, at its sole expense, and at the sole election of DCSS, either:
1) make notification to the individuals affected by the breach (including substitute notification), pursuant to the content and timeliness provisions of such applicable state or federal breach

EXHIBIT E continued

notice laws. Contractor shall inform the DCSS Chief Information Security Officer of the time, manner and content of any such notifications, prior to the transmission of such notifications to the individuals; or

2) cooperate with and assist DCSS in its notification (including substitute notification) to the individuals affected by the breach.

E. Submission of Sample Notification to Attorney General: If notification to more than 500 individuals is required pursuant to California Civil Code section 1798.29, and regardless of whether Contractor is considered only a custodian and/or non-owner of the DCSS PCI, Contractor shall, at its sole expense, and at the sole election of DCSS, either:

1) electronically submit a single sample copy of the security breach notification, excluding any personally identifiable information, to the Attorney General pursuant to the format, content, and timeliness provisions of California Civil Code section 1798.29. Contractor shall inform the DCSS Chief Information Security Officer of the time, manner and content of any such submissions, **prior** to the transmission of such submissions to the Attorney General; or

2) cooperate with and assist DCSS in its submission of a sample copy of the notification to the Attorney General.

F. DCSS Contact Information: To direct communications to the above referenced DCSS staff, the Contractor shall initiate contact as indicated herein. DCSS reserves the right to make changes to the contact information below by written notice to the Contractor. Said changes shall not require an amendment to this Exhibit or the agreement to which it is incorporated.

DCSS Program Contract Manager	DCSS Chief Information Security Officer
See **Exhibit A** for Program Contract Manager	Chief Information Security Officer Information Security Office California Department of Child Support Services P.O Box 419064, MS 440 Rancho Cordova, CA 95741-9064 Email: information.security@dcss.ca.gov Telephone: (916) 464-5045

13. Documentation of Disclosures for Requests for Accounting

Contractor shall document and make available to DCSS or (at the direction of DCSS) to an Individual such disclosures of DCSS PCI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of personal information as required by applicable state or federal law.

14. Requests for DCSS PCI by Third Parties

The Contractor and its employees, agents, or sub-contractors shall promptly transmit to the DCSS Program Contract Manager all requests for disclosure of any DCSS PCI emanating from third parties to the agreement between Contractor and DCSS (and not emanating from an Individual for an accounting of disclosures of personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.

15. Audits, Inspection and Enforcement

EXHIBIT E continued

From time to time, DCSS may inspect the facilities, systems, books and records of Contractor to monitor compliance with this Exhibit. Contractor will allow audits or inspections by individuals authorized by the DCSS ISO at the Contractor premises during regular business hours, with five (5) business day's prior notice for purposes of determining compliance with the terms of this Agreement. Contractor shall promptly remedy any violation of any provision of this Exhibit and shall certify the same to the DCSS Program Contract Manager in writing.

16. <u>Return or Destruction of DCSS PCI on Expiration or Termination</u>

On expiration or termination of the agreement between Contractor and DCSS for any reason, Contractor shall return or destroy the DCSS PCI. If return or destruction is not feasible, Contractor shall explain to DCSS why, in writing, to the DCSS Program Contract Manager and the DCSS Chief Information Security Officer, using the contact information listed in Section 12.F., above.

A. <u>Retention Required by Law</u>: If required by state or federal law, Contractor may retain, after expiration or termination, DCSS PCI for the time specified as necessary to comply with the law.

B. <u>Obligations Continue Until Return or Destruction</u>: Contractor's obligations under this Exhibit shall continue until Contractor returns or destroys the DCSS PCI or returns the DCSS PCI to DCSS; provided however, that on expiration or termination of the agreement between Contractor and DCSS, Contractor shall not further use or disclose the DCSS PCI except as Required by state or federal law.

C. <u>Notification of Election to Destroy DCSS PCI</u>: If Contractor elects to destroy the DCSS PCI, Contractor shall certify in writing, to the DCSS Program Contract Manager and the DCSS Chief Information Security Officer, using the contact information listed in Section 12.F., above, that the DCSS PCI has been destroyed.

17. <u>Amendment</u>

The parties acknowledge that Federal and State laws relating to information security and privacy are rapidly evolving and that amendment of this Exhibit may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of DCSS PCI. The parties agree to promptly enter into negotiations concerning an amendment to this Exhibit consistent with new standards and requirements imposed by applicable laws and regulations.

18. <u>Assistance in Litigation or Administrative Proceedings</u>

Contractor shall make itself and any sub-contractors, employees or agents assisting Contractor in the performance of its obligations under the agreement between Contractor and DCSS, available to DCSS at no cost to DCSS to testify as witnesses, in the event of litigation or administrative proceedings being commenced against DCSS, its director, officers or employees based upon claimed violation of laws relating to security and privacy, which involves inactions or actions by the Contractor, except where Contractor or its sub-contractor, employee or agent is a named adverse party.

19. <u>No Third-Party Beneficiaries</u>

EXHIBIT E continued

Nothing express or implied in the terms and conditions of this Exhibit is intended to confer, nor shall anything herein confer, upon any person other than DCSS or Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

20. Interpretation

The terms and conditions in this Exhibit shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with Federal and State laws and regulations.

21. Survival

If Contractor does not return or destroy the DCSS PCI upon the expiration or termination of the Agreement, the respective rights and obligations of Contractor under Sections 6., 7., and 8. of this Exhibit shall survive the termination or expiration of the agreement between Contractor and DCSS.

EXHIBIT E.1
DATA SECURITY STANDARDS

1. <u>General Security Controls</u>

A. ***Confidentiality Statement.*** All persons that will be working with DCSS PCI must sign a confidentiality statement. The statement must include at a minimum, General Use, Security and Privacy safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DCSS PCI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DCSS inspection for a period of three (3) years following contract termination.

B. ***Media Protection.*** All workstations and laptops that process and/or store DCSS PCI must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key at minimum. The encryption solution must be full disk unless approved by the DCSS Information Security Office.

C. ***Server Security.*** Servers containing unencrypted DCSS PCI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

D. ***Minimum Necessary.*** Only the minimum necessary amount of DCSS PCI required to perform necessary business functions may be copied, downloaded, or exported.

E. ***Removable Media Devices.*** All electronic files that contain DCSS PCI must be encrypted when stored on any removable media or portable device (i.e. USB drives, CD/DVD, smartphone, backup tapes, etc.) using a FIPS 140-2 certified algorithm, such as AES, with a 128bit key at minimum.

F. ***Anti-malware Software.*** All workstations, laptops and other systems that process and/or store DCSS PCI must install and actively use a managed and comprehensive anti-malware software solution with automatic updates scheduled at least daily.

G. ***Patch Management.*** All workstations, laptops and other systems that process and/or store DCSS PCI must have security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a minimum, emergency (vulnerability and active exploit) patches must be applied immediately, while critical (vulnerability and no exploit known) patches must be applied within one week. At a maximum, all applicable patches must be installed within 30 days of vendor release.

H. ***User IDs and Password Controls.*** All users must be issued a unique user name for accessing DCSS PCI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password. Passwords are not to be shared.

- Must be at least eight characters.
- Must be a non-dictionary word.
- Must not be stored in readable format on the computer.
- Must be changed every 60 days.
- Must be changed if revealed or compromised.
- Must be composed of characters from at least three of the following four groups from the standard keyboard:
  - o Upper case letters (A-Z)

EXHIBIT E.1 continued

      o   Lower case letters (a-z)

      o   Arabic numerals (0-9)

      o   Non-alphanumeric characters (punctuation symbols)

I.   *Data Destruction/Sanitization.* All records received by each party under this Agreement, and any database(s) created, copies made, or files attributed to the records received will be destroyed when they are no longer needed for the business purpose for which they were obtained, or within 30 calendar days of termination of the contract, using confidential destruction methods, such as secure shredding, burning, degaussing, erasing, or other **certified or witnessed** destruction methods. This information includes information stored on magnetic tapes, discs, and other media. The records shall be destroyed in accordance with decisions and methods described in National Institute of Standards and Technology (NIST) Special Publication (SP) 800-88.

J.   *Unique Identification.* Contractor's network security architecture must be able to uniquely identify all access to DCSS PCI obtained and used in the performance of this Agreement.

K.   *Secure Areas.* Computer monitors, printers, hard copy printouts or any other forms of information accessed or obtained under the performance of this agreement must be placed so that they may not be viewed by the public or other unauthorized persons as described in the agreement.

2.   <u>System Security Controls</u>

A.   *Screen Lock.* All systems accessing DCSS PCI must not be left unattended and logged on unless secured by a screen-locking process or mechanism to prevent unauthorized access or secured in a locked room not accessible to unauthorized personnel. All systems accessing DCSS PCI must provide an automatic timeout, requiring re-authentication of the user session after no more than 10 minutes of inactivity.

B.   *Warning Banners.* All systems containing DCSS PCI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.

C.   *System Logging.* The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DCSS PCI, or which alters DCSS PCI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If DCSS PCI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least three (3) years after occurrence, seven (7) years for systems storing or transmitting Federal Tax Information (FTI).

D.   *Access Controls.* The system must use role based access controls for all user authentications, enforcing the principle of least privilege.

E.   *Transmission Encryption.* All data transmissions of DCSS PCI must be encrypted using a FIPS 140-2 certified algorithm, such as AES, with a 128bit key at minimum. Encryption can be end to end at the network level, or the data files containing DCSS PCI can be encrypted. This requirement pertains to any type of DCSS PCI in motion such as website access, file transfer, and E-Mail.

EXHIBIT E.1 continued

    F. *Intrusion Detection.* All systems involved in accessing, holding, transporting, and protecting DCSS PCI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

3. Audit Controls

    A. *System Security Review.* All systems processing and/or storing DCSS PCI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning tools.

    B. *Log Reviews.* All systems processing and/or storing DCSS PCI must have a routine procedure in place to periodically review system logs for unauthorized access.

    C. *Change Control.* All systems processing and/or storing DCSS PCI must follow a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4. Business Continuity / Technology Recovery Controls

    A. *Technology Recovery.* Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DCSS PCI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this agreement for more than 24 hours.

    B. *Data Backup Plan. Contractor must have established documented procedures to backup DCSS PCI to* maintain retrievable exact copies of DCSS PCI. The plan must include a regular schedule for creating backups, storing backups offsite, an inventory of backup media, and the amount of time to restore DCSS PCI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DCSS data.

5. Paper Document Controls

    A. *Supervision of Data.* DCSS PCI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DCSS PCI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

    B. *Escorting Visitors.* Visitors to areas where DCSS PCI is contained shall be escorted and DCSS PCI shall be kept out of sight while visitors are in the area.

    C. *Confidential Destruction.* DCSS PCI must be disposed of through confidential means, using NIST SP 800-88 standard and applicable methods for data sanitization when the DCSS PCI is no longer needed.

    D. *Removal of Data.* DCSS PCI must not be removed from the premises of the Contractor except with express written permission of DCSS.

EXHIBIT E.1 continued

E. **Faxing.** Faxes containing DCSS PCI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending.

F. **Mailing.** DCSS PCI shall only be mailed using secure methods. Large volume mailings of DCSS PCI shall be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail must be encrypted with a DCSS approved solution.