

MASTER CONTRACT

No. 01618

TRANSLATION SERVICES – SYSTEM GENERATED CLIENT LETTERS

For Use by Eligible Purchasers

By and Between

**STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES**

and

PRISMA INTERNATIONAL INC.

Dated November 20, 2018

MASTER CONTRACT

No. 01618

TRANSLATION SERVICES – SYSTEM GENERATED CLIENT LETTERS

This Master Contract ("Master Contract") is made and entered into by and between the State of Washington acting by and through the Department of Enterprise Services, a Washington State governmental agency ("Enterprise Services") and Prisma International, Inc., a Minnesota Corporation ("Contractor") and is dated as of November 20, 2018 .

RECITALS

- A. Pursuant to Legislative direction codified in RCW chapter 39.26, Enterprise Services, on behalf of the State of Washington, is authorized to develop, solicit, and establish master contracts for goods and/or services for general use by Washington state agencies and certain other entities (eligible purchasers).
- B. On behalf of the State of Washington, Enterprise Services, as part of a competitive governmental procurement, issued Invitation For Bid No. 01618 dated July, 18, 2018 regarding **TRANSLATION SERVICES – SYSTEM GENERATED CLIENT LETTERS**.
- C. Enterprise Services evaluated all responses to the Invitation For Bid and identified Contractor as an/the apparent successful bidder.
- D. Enterprise Services has determined that entering into this Master Contract will meet the identified needs and be in the best interest of the State of Washington.
- E. The purpose of this Master Contract is to enable eligible purchasers to purchase the goods and/or services as set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto hereby agree as follows:

- 1. **TERM.** The term of this Master Contract is seventy-two (72) months, commencing November 20, 2018 and ending November 19, 2024.
- 2. **ELIGIBLE PURCHASERS.** This Master Contract may be utilized by any of the following types of entities ("Purchaser"):
 - 2.1. **WASHINGTON STATE AGENCIES.** This Master Contract may be utilized by:
 - Washington state agencies, departments, offices, divisions, boards, and commission; and
 - Any the following institutions of higher education: state universities, regional universities, state college, community colleges, and technical colleges.
 - 2.2. **MCUA PARTIES.** This Master Contract also may be utilized by any of the following types of entities that have executed a Master Contract Usage Agreement with Enterprise Services:
 - Political subdivisions (e.g., counties, cities, school districts, public utility districts);

- Federal governmental agencies or entities;
- Public-benefit nonprofit corporations (i.e., § 501(c)(3) nonprofit corporations that receive federal, state, or local funding); and
- Federally-recognized Indian Tribes located in the State of Washington.

3. SCOPE – INCLUDED GOODS/SERVICES AND PRICE.

- 3.1. **CONTRACT SCOPE.** Pursuant to this Master Contract, Contractor is authorized to sell only those goods and/or services set forth in *Exhibit A – Included Goods/Services* for the prices set forth in *Exhibit B – Prices*. Contractor shall not represent to any Purchaser under this Master Contract that Contractor has contractual authority to sell any goods and/or services beyond those set forth in *Exhibit A – Included Goods/Services*.
- 3.2. **STATE’S ABILITY TO MODIFY SCOPE OF MASTER CONTRACT.** Subject to mutual agreement between the parties, Enterprise Services reserves the right to modify the goods and/or services included in this Master Contract; *Provided*, however, that any such modification shall be effective only upon thirty (30) days advance written notice; and *Provided further*, that any such modification must be within the scope of this Master Contract.
- 3.3. **ECONOMIC ADJUSTMENT.** Beginning twelve (12) months after the effective date of this Master Contract and for every annual anniversary thereafter, the prices set forth in *Exhibit B* shall be adjusted, based upon the percent changes of general inflation for the United States, of the most recent year. All calculations for the index shall be based upon the latest version of data published as of 2019 each year.
- New Price = Old Price x (Current Period Inflation/Base Period Inflation).
- 3.4. **PRICE CEILING.** Although Contractor may offer lower prices to Purchasers, during the term of this Master Contract, Contractor guarantees to provide the Goods/Services at no greater than the prices set forth in *Exhibit B – Prices for Goods/Services* (subject to economic adjustment as set forth herein).
- 3.5. **MASTER CONTRACT INFORMATION.** Enterprise Services shall maintain and provide information regarding this Master Contract, including scope and pricing, to eligible Purchasers.

4. CONTRACTOR REPRESENTATIONS AND WARRANTIES. Contractor makes each of the following representations and warranties as of the effective date of this Master Contract and at the time any order is placed pursuant to this Master Contract. If, at the time of any such order, Contractor cannot make such representations and warranties, Contractor shall not process any orders and shall, within three (3) business days notify Enterprise Services, in writing, of such breach.

- 4.1. **QUALIFIED TO DO BUSINESS.** Contractor represents and warrants that it is in good standing and qualified to do business in the State of Washington, that it possesses and shall keep current all required licenses and/or approvals, and that it is current, in full compliance, and has paid all applicable taxes owed to the State of Washington.
- 4.2. **SUSPENSION & DEBARMENT.** Contractor represents and warrants that neither it nor its principals or affiliates presently are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any governmental contract by any governmental department or agency within the United States.
- 4.3. **QUALITY OF GOODS OR SERVICES.** Contractor represents and warrants that any goods and/or services sold pursuant to this Master Contract shall be merchantable, shall conform to this

Master Contract and Purchaser's Purchase Order, shall be fit and safe for the intended purposes, shall be free from defects in materials and workmanship, and shall be produced and delivered in full compliance with applicable law. Contractor further represents and warrants it has clear title to the goods and that the same shall be delivered free of liens and encumbrances and that the same do not infringe any third party patent. Upon breach of warranty, Contractor will repair or replace (at no charge to Purchaser) any goods and/or services whose nonconformance is discovered and made known to the Contractor. If, in Purchaser's judgment, repair or replacement is inadequate, or fails of its essential purpose, Contractor will refund the full amount of any payments that have been made. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation, actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees and costs.

- 4.4. WAGE VIOLATIONS. Contractor represents and warrants that, during the term of this Master Contract and the three (3) year period immediately preceding the award of the Master Contract, it is not determined, by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction, to be in willful violation of any provision of Washington state wage laws set forth in RCW chapters 49.46, 49.48, or 49.52.
- 4.5. PAY EQUALITY. Contractor represents and warrants that, as required by Washington state law (Laws of 2017, Chap. 1, § 147), during the term of this Master Contract for the time period of July 1, 2017 through June 30, 2019, it agrees to equality among its workers by ensuring similarly employed individuals are compensated as equals. For purposes of this provision, employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed. Contractor may allow differentials in compensation for its workers based in good faith on any of the following: a seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels. A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience, that is: consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential. A bona fide regional difference in compensation level must be consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential. Notwithstanding any provision to the contrary, upon breach of warranty and Contractor's failure to provide satisfactory evidence of compliance within thirty (30) days, Enterprise Services may suspend or terminate this Master Contract and any Purchaser hereunder similarly may suspend or terminate its use of the Master Contract and/or any agreement entered into pursuant to the Master Contract.
- 4.6. PROCUREMENT ETHICS & PROHIBITION ON GIFTS. Contractor represents and warrants that it complies fully with all applicable procurement ethics restrictions including, but not limited to,

restrictions against Contractor providing gifts or anything of economic value, directly or indirectly, to Purchasers' employees.

- 4.7. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS). Contractor represents and warrants that it is registered in Washington's Electronic Business Solution (WEBS), Washington's contract registration system and that, all of its information therein is current and accurate and that throughout the term of this Master Contract, Contractor shall maintain an accurate profile in WEBS.
- 4.8. STATEWIDE PAYEE DESK. Contractor represents and warrants that it is registered with the Statewide Payee Desk, which registration is a condition to payment.
- 4.9. MASTER CONTRACT PROMOTION; ADVERTISING AND ENDORSEMENT. Contractor represents and warrants that it shall use commercially reasonable efforts both to promote and market the use of this Master Contract with eligible Purchasers and to ensure that those entities that utilize this Master Contract are eligible Purchasers. Contractor understands and acknowledges that neither Enterprise Services nor Purchasers are endorsing Contractor's goods and/or services or suggesting that such goods and/or services are the best or only solution to their needs. Accordingly, Contractor represents and warrants that it shall make no reference to Enterprise Services, any Purchaser, or the State of Washington in any promotional material without the prior written consent of Enterprise Services.
- 4.10. MASTER CONTRACT TRANSITION. Contractor represents and warrants that, in the event this Master Contract or a similar contract, is transitioned to another contractor (e.g., Master Contract expiration or termination), Contractor shall use commercially reasonable efforts to assist Enterprise Services for a period of sixty (60) days to effectuate a smooth transition to another contractor to minimize disruption of service and/or costs to the State of Washington.

5. USING THE MASTER CONTRACT – PURCHASES.

- 5.1. ORDERING REQUIREMENTS. Eligible Purchasers shall order goods and/or services from this Master Contract, consistent with the terms hereof and by using any ordering mechanism agreeable both to Contractor and Purchaser but, at a minimum, including the use of a purchase order. When practicable, Contractor and Purchaser also shall use telephone orders, email orders, web-based orders, and similar procurement methods (collectively "Purchaser Order"). All order documents must reference the Master Contract number.
- 5.2. DELIVERY REQUIREMENTS. Contractor must ensure that delivery of goods and/or services will be made as required by this Master Contract, the Purchase Order used by Purchasers, or as otherwise mutually agreed in writing between the Purchaser and Contractor. The following apply to all deliveries:
 - (a) Contractor shall make all deliveries to the applicable delivery location specified in the Purchase Order. Such deliveries shall occur during Purchaser's normal work hours and within the time period mutually agreed in writing between Purchaser and Contractor at the time of order placement.
 - (b) Contractor shall ship all goods and/or services purchased pursuant to this Master Contract, freight charges prepaid by Contractor, FOB Purchaser's specified destination with all transportation and handling charges included. Contractor shall bear all risk of loss, damage, or destruction of the goods and/or services ordered hereunder that occurs prior to delivery, except loss or damage attributable to Purchaser's fault or negligence.

- (c) All packing lists, packages, instruction manuals, correspondence, shipping notices, shipping containers, and other written materials associated with this Master Contract shall be identified by the Master Contract number set forth on the cover of this Master Contract and the applicable Purchaser's Purchase Order number. Packing lists shall be enclosed with each shipment and clearly identify all contents and any backorders.
- 5.3. RECEIPT AND INSPECTION OF GOODS AND/OR SERVICES. Goods and/or services purchased under this Master Contract are subject to Purchaser's reasonable inspection, testing, and approval at Purchaser's destination. Purchaser reserves the right to reject and refuse acceptance of goods and/or services that are not in accordance with this Master Contract and Purchaser's Purchase Order. Purchaser may charge Contractor for the cost of inspecting rejected goods. If there are any apparent defects in the goods and/or services at the time of delivery, Purchaser promptly will notify Contractor. At Purchaser's option, and without limiting any other rights, Purchaser may require Contractor to repair or replace, at Contractor's expense, any or all of the damaged goods and/or services or, at Purchaser's option, Purchaser may note any damage to the goods and/or services on the receiving report, decline acceptance, and deduct the cost of rejected goods and/or services from final payment. Payment for any goods under such Purchase Order shall not be deemed acceptance of the goods.
- 5.4. ON SITE REQUIREMENTS. While on Purchaser's premises, Contractor, its agents, employees, or subcontractors shall comply, in all respects, with Purchaser's physical, fire, access, or other security requirements.

6. INVOICING & PAYMENT.

- 6.1. CONTRACTOR INVOICE. Contractor shall submit to Purchaser's designated invoicing contact properly itemized invoices. Such invoices shall itemize the following:
 - (a) Master Contract No. 01618
 - (b) Contractor name, address, telephone number, and email address for billing issues (i.e., Contractor Customer Service Representative)
 - (c) Contractor's Federal Tax Identification Number
 - (d) Date(s) of delivery
 - (e) Invoice amount; and
 - (f) Payment terms, including any available prompt payment discounts.

Contractor's invoices for payment shall reflect accurate Master Contract prices. Invoices will not be processed for payment until receipt of a complete invoice as specified herein.

- 6.2. PAYMENT. Payment is the sole responsibility of, and will be made by, the Purchaser. Payment is due within thirty (30) days of invoice. If Purchaser fails to make timely payment(s), Contractor may invoice Purchaser in the amount of one percent (1%) per month on the amount overdue or a minimum of \$1. Payment will not be considered late if a check or warrant is mailed within the time specified.
- 6.3. OVERPAYMENTS. Contractor promptly shall refund to Purchaser the full amount of any erroneous payment or overpayment. Such refunds shall occur within thirty (30) days of written notice to Contractor; *Provided*, however, that Purchaser shall have the right to elect to have either direct payments or written credit memos issued. If Contractor fails to make

timely payment(s) or issuance of such credit memos, Purchaser may impose a one percent (1%) per month on the amount overdue thirty (30) days after notice to the Contractor.

- 6.4. NO ADVANCE PAYMENT. No advance payments shall be made for any products or services furnished by Contractor pursuant to this Master Contract.
- 6.5. NO ADDITIONAL CHARGES. Unless otherwise specified herein, Contractor shall not include or impose any additional charges including, but not limited to, charges for shipping, handling, or payment processing.
- 6.6. TAXES/FEES. Contractor promptly shall pay all applicable taxes on its operations and activities pertaining to this Master Contract. Failure to do so shall constitute breach of this Master Contract. Unless otherwise agreed, Purchaser shall pay applicable sales tax imposed by the State of Washington on purchased goods and/or services. Contractor, however, shall not make any charge for federal excise taxes and Purchaser agrees to furnish Contractor with an exemption certificate where appropriate.

7. CONTRACT MANAGEMENT.

- 7.1. CONTRACT ADMINISTRATION & NOTICES. Except for legal notices, the parties hereby designate the following contract administrators as the respective single points of contact for purposes of this Master Contract. Enterprise Services' contract administrator shall provide Master Contract oversight. Contractor's contract administrator shall be Contractor's principal contact for business activities under this Master Contract. The parties may change contractor administrators by written notice as set forth below.

Any notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

Enterprise Services	Contractor
Attn: LeAnna Sandy	Attn: James V. Romano
Washington Dept. of Enterprise Services	Prisma International, Inc.
PO Box 41411	1128 Harmon Place, Suite 310
Olympia, WA 98504-1411	Minneapolis, MN 55403
Tel: (360) 407-8535	Tel: (612)349-3111
Email: leanna.sandy@des.wa.gov	Email: jromano@prisma.com

Notices shall be deemed effective upon the earlier of receipt, if mailed, or, if emailed, upon transmission to the designated email address of said addressee.

- 7.2. CONTRACTOR CUSTOMER SERVICE REPRESENTATIVE. Contractor shall designate a customer service representative (and inform Enterprise Services of the same) who shall be responsible for addressing Purchaser issues pertaining to this Master Contract.
- 7.3. LEGAL NOTICES. Any legal notices required or desired shall be in writing and delivered by U.S. certified mail, return receipt requested, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

Enterprise Services	Contractor
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Attn: Legal Services Manager
Washington Dept. of Enterprise Services
PO Box 41411
Olympia, WA 98504-1411
Email: greg.tolbert@des.wa.gov

Attn: James V. Romano
Prisma International, Inc.
1128 Harmon Place, Suite 310
Minneapolis, MN 55403
Email: jromano@prisma.com

Notices shall be deemed effective upon the earlier of receipt when delivered, or, if mailed, upon return receipt, or, if emailed, upon transmission to the designated email address of said addressee.

8. CONTRACTOR SALES REPORTING; VENDOR MANAGEMENT FEE; & CONTRACTOR REPORTS.

8.1. **MASTER CONTRACT SALES REPORTING.** Contractor shall report total Master Contract sales quarterly to Enterprise Services, as set forth below.

- (a) **Master Contract Sales Reporting System.** Contractor shall report quarterly Master Contract sales in Enterprise Services' Master Contract Sales Reporting System. Enterprise Services will provide Contractor with a login password and a vendor number. The password and vendor number will be provided to the Sales Reporting Representative(s) listed on Contractor's Bidder Profile.
- (b) **Data.** Each sales report must identify every authorized Purchaser by name as it is known to Enterprise Services and its total combined sales amount invoiced during the reporting period (i.e., sales of an entire agency or political subdivision, not its individual subsections). The "Miscellaneous" option may be used only with prior approval by Enterprise Services. Upon request, Contractor shall provide contact information for all authorized purchasers specified herein during the term of the Master Contract. If there are no Master Contract sales during the reporting period, Contractor must report zero sales.
- (c) **Due dates for Master Contract Sales Reporting.** Quarterly Master Contract Sales Reports must be submitted electronically by the following deadlines for all sales invoiced during the applicable calendar quarter:

FOR CALENDAR QUARTER ENDING	MASTER CONTRACT SALES REPORT DUE
March 31:	April 30
June 30:	July 31
September 30:	October 31
December 31:	January 31

8.2. **VENDOR MANAGEMENT FEE.** Contractor shall pay to Enterprise Services a vendor management fee ("VMF") of 1.50 percent on the purchase price for all Master Contract sales (the purchase price is the total invoice price less applicable sales tax).

- (a) The sum owed by Contractor to Enterprise Services as a result of the VMF is calculated as follows:

Amount owed to Enterprise Services = Total Master Contract sales invoiced (not including sales tax) x .0150.

- (b) The VMF must be rolled into Contractor's current pricing. The VMF must not be shown as a separate line item on any invoice unless specifically requested and approved by Enterprise Services.
- (c) Enterprise Services will invoice Contractor quarterly based on Master Contract sales reported by Contractor. Contractors are not to remit payment until they receive an invoice from Enterprise Services. Contractor's VMF payment to Enterprise Services must reference this Master Contract number, work request number (if applicable), the year and quarter for which the VMF is being remitted, and the Contractor's name as set forth in this Master Contract, if not already included on the face of the check.
- (d) Failure to accurately report total net sales, to submit a timely usage report, or remit timely payment of the VMF, may be cause for Master Contract termination or the exercise of other remedies provided by law. Without limiting any other available remedies, the Parties agree that Contractor's failure to remit to Enterprise Services timely payment of the VMF shall obligate Contractor to pay to Enterprise Services, to offset the administrative and transaction costs incurred by the State to identify, process, and collect such sums. The sum of \$200.00 or twenty-five percent (25%) of the outstanding amount, whichever is greater, or the maximum allowed by law, if less.
- (e) Enterprise Services reserves the right, upon thirty (30) days advance written notice, to increase, reduce, or eliminate the VMF for subsequent purchases, and reserves the right to renegotiate Master Contract pricing with Contractor when any subsequent adjustment of the VMF might justify a change in pricing.

8.3. ANNUAL MASTER CONTRACT SALES REPORT. Contractor shall provide to Enterprise Services a detailed annual Master Contract sales report. Such report shall include, at a minimum: Product description, part number or other Product identifier, per unit quantities sold, and Master Contract price. This report must be provided in an electronic format that can be read by MS Excel.

8.4. SMALL BUSINESS INCLUSION. Upon Request by Enterprise Services, Contractor shall provide, within thirty (30) days, an Affidavit of Amounts Paid. Such Affidavit of Amounts Paid either shall state, if applicable, that Contractor still maintains its MWBE certification or state that its subcontractor(s) still maintain(s) its/their MWBE certification(s) and specify the amounts paid to each certified MWBE subcontractor under this Master Contract. Contractor shall maintain records supporting the Affidavit of Amounts Paid in accordance with this Master Contract's records retention requirements.

9. RECORDS RETENTION & AUDITS.

9.1. RECORDS RETENTION. Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Contract and orders placed by Purchasers under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall retain such records for a period of six (6) years following expiration or termination of this Master Contract or final payment for any order placed by a Purchaser against this Master Contract, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.

- 9.2. **AUDIT.** Enterprise Services reserves the right to audit, or have a designated third party audit, applicable records to ensure that Contractor has properly invoiced Purchasers and that Contractor has paid all applicable contract management fees. Accordingly, Contractor shall permit Enterprise Services, any Purchaser, and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Contract or orders placed by a Purchaser under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of six (6) years following expiration or termination of this Master Contract or final payment for any order placed by a Purchaser against this Master Contract, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.
- 9.3. **OVERPAYMENT OF PURCHASES OR UNDERPAYMENT OF FEES.** Without limiting any other remedy available to any Purchaser, Contractor shall (a) reimburse Purchasers for any overpayments inconsistent with the terms of this Master Contract or orders, at a rate of 125% of such overpayments, found as a result of the examination of the Contractor's records; and (b) reimburse Enterprise Services for any underpayment of fees, at a rate of 125% of such fees found as a result of the examination of the Contractor's records (e.g., if Contractor underpays the Vendor Management Fee by \$500, Contractor would be required to pay to Enterprise Services $\$500 \times 1.25 = \625).

10. INSURANCE.

- 10.1. **REQUIRED INSURANCE.** During the Term of this Master Contract, Contractor, at its expense, shall maintain in full force and effect the insurance coverages set forth in *Exhibit C – Insurance Requirements*.
- 10.2. **WORKERS COMPENSATION.** Contractor shall comply with applicable workers compensation statutes and regulations (e.g., RCW Title 51, Industrial Insurance). If Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, Enterprise Services may terminate this Master Contract. This provision does not waive any of the Washington State Department of Labor and Industries (L&I) rights to collect from Contractor. In addition, Contractor waives its immunity under RCW Title 51 to the extent it is required to indemnify, defend, and hold harmless the State of Washington and its agencies, officials, agents, or employees.

11. CLAIMS.

- 11.1. **ASSUMPTION OF RISKS; CLAIMS BETWEEN THE PARTIES.** Contractor assumes sole responsibility and all risks of personal injury or property damage to itself and its employees, agents, and Contractors in connection with Contractor's operations under this Master Contract. Enterprise Services has made no representations regarding any factor affecting Contractor's risks. Contractor shall pay for all damage to any Purchaser's property resulting directly or indirectly from its acts or omissions under this Master Contract, even if not attributable to negligence by Contractor or its agents.
- 11.2. **THIRD-PARTY CLAIMS; INDEMNITY.** To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Enterprise Services and any Purchaser and their employees and agents from and against all claims, demands, judgments, assessments, damages, penalties, fines, costs, liabilities or losses including, without limitation, sums paid in settlement of claims,

attorneys' fees, consultant fees, and expert fees (collectively "claims") arising from any act or omission of Contractor or its successors, agents, and subcontractors under this Master Contract, except claims caused solely by Enterprise Services or any Purchasers' negligence. Contractor shall take all steps needed to keep Purchaser's property free of liens arising from Contractor's activities, and promptly obtain or bond the release of any such liens that may be filed.

12. DISPUTE RESOLUTION. The parties shall cooperate to resolve any dispute pertaining to this Master Contract efficiently, as timely as practicable, and at the lowest possible level with authority to resolve such dispute. If, however, a dispute persists and cannot be resolved, it may be escalated within each organization. In such situation, upon notice by either party, each party, within five (5) business days shall reduce its description of the dispute to writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event that the parties cannot then agree on a resolution of the dispute, the parties shall schedule a conference between the respective senior manager of each organization to attempt to resolve the dispute. In the event the parties cannot agree, either party may resort to court to resolve the dispute.

13. SUSPENSION & TERMINATION; REMEDIES.

13.1. SUSPENSION & TERMINATION FOR DEFAULT. Enterprise Services may suspend Contractor's operations under this Master Contract immediately by written cure notice of any default. Suspension shall continue until the default is remedied to Enterprise Services' reasonable satisfaction; *Provided*, however, that, if after thirty (30) days from such a suspension notice, Contractor remains in default, Enterprise Services may terminate Contractor's rights under this Master Contract. All of Contractor's obligations to Enterprise Services and Purchasers survive termination of Contractor's rights under this Master Contract, until such obligations have been fulfilled.

13.2. DEFAULT. Each of the following events shall constitute default of this Master Contract by Contractor:

- (a) Contractor fails to perform or comply with any of the terms or conditions of this Master Contract including, but not limited to, Contractor's obligation to pay contract management fees when due;
- (b) Contractor breaches any representation or warranty provided herein; or
- (c) Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary.

13.3. REMEDIES FOR DEFAULT.

- (a) Enterprise Services' rights to suspend and terminate Contractor's rights under this Master Contract are in addition to all other available remedies.
- (b) In the event of termination for default, Enterprise Services may exercise any remedy provided by law including, without limitation, the right to procure for all Purchasers replacement goods and/or services. In such event, Contractor shall be liable to Enterprise Services for damages as authorized by law including, but not limited to, any price difference between the Master Contract price and the replacement or cover price as well as any administrative and/or transaction costs directly related to such replacement procurement – e.g., the cost of the competitive procurement.

13.4. LIMITATION ON DAMAGES. Notwithstanding any provision to the contrary, the parties agree that in no event shall any party or Purchaser be liable to the other for exemplary or punitive damages.

13.5. GOVERNMENTAL TERMINATION.

(a) Termination for Withdrawal of Authority. Enterprise Services may suspend or terminate this Master Contract if, during the term hereof, Enterprise Services' procurement authority is withdrawn, reduced, or limited such that Enterprise Services, in its judgment, would lack authority to enter into this Master Contract; *Provided*, however, that such suspension or termination for withdrawal of authority shall only be effective upon twenty (20) days prior written notice; and *Provided further*, that such suspension or termination for withdrawal of authority shall not relieve any Purchaser from payment for goods and/or services already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such suspension or termination for withdrawal of authority, neither Enterprise Services nor any Purchaser shall have any obligation or liability to Contractor.

(b) Termination for Convenience. Enterprise Services, for convenience, may terminate this Master Contract; *Provided*, however, that such termination for convenience must, in Enterprise Services' judgment, be in the best interest of the State of Washington; and *Provided further*, that such termination for convenience shall only be effective upon sixty (60) days prior written notice; and *Provided further*, that such termination for convenience shall not relieve any Purchaser from payment for goods and/or services already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such termination for convenience, neither Enterprise Services nor any Purchaser shall have any obligation or liability to Contractor.

13.6. TERMINATION PROCEDURE. Regardless of basis, in the event of suspension or termination (in full or in part), the parties shall cooperate to ensure an orderly and efficient suspension or termination. Accordingly, Contractor shall deliver to Purchasers all goods and/or services that are complete (or with approval from Enterprise Services, substantially complete) and Purchasers shall inspect, accept, and pay for the same in accordance with this Master Contract and the applicable Purchase Order. Unless directed by Enterprise Services to the contrary, Contractor shall not process any orders after notice of suspension or termination inconsistent therewith.

14. GENERAL PROVISIONS.

14.1. TIME IS OF THE ESSENCE. Time is of the essence for each and every provision of this Master Contract.

14.2. COMPLIANCE WITH LAW. Contractor shall comply with all applicable law.

14.3. INTEGRATED AGREEMENT. This Master Contract constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.

14.4. AMENDMENT OR MODIFICATION. Except as set forth herein, this Master Contract may not be amended or modified except in writing and signed by a duly authorized representative of each party hereto.

- 14.5. **AUTHORITY.** Each party to this Master Contract, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Master Contract and that its execution, delivery, and performance of this Master Contract has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- 14.6. **NO AGENCY.** The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Master Contract. Neither party is an agent of the other party nor authorized to obligate it.
- 14.7. **ASSIGNMENTS.** Contractor may not assign its rights under this Master Contract without Enterprise Services' prior written consent and Enterprise Services may consider any attempted assignment without such consent to be void; *Provided*, however, that, if Contractor provides written notice to Enterprise Services within thirty (30) days, Contractor may assign its rights under this Master Contract in full to any parent, subsidiary, or affiliate of Contractor that controls or is controlled by or under common control with Contractor, is merged or consolidated with Contractor, or purchases a majority or controlling interest in the ownership or assets of Contractor. Unless otherwise agreed, Contractor guarantees prompt performance of all obligations under this Master Contract notwithstanding any prior assignment of its rights.
- 14.8. **BINDING EFFECT; SUCCESSORS & ASSIGNS.** This Master Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
- 14.9. **PUBLIC INFORMATION.** This Master Contract and all related documents are subject to public disclosure as required by Washington's Public Records Act, RCW chapter 42.56.
- 14.10. **ASSIGNMENT OF ANTITRUST RIGHTS REGARDING PURCHASED GOODS/SERVICES.** Contractor irrevocably assigns to Enterprise Services, on behalf of the State of Washington, any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws in connection with any goods and/or services provided in Washington for the purpose of carrying out the Contractor's obligations under this Master Contract, including, at Enterprise Services' option, the right to control any such litigation on such claim for relief or cause of action.
- 14.11. **FEDERAL FUNDS.** To the extent that any Purchaser uses federal funds to purchase goods and/or services pursuant to this Master Contract, such Purchaser shall specify, with its order, any applicable requirement or certification that must be satisfied by Contractor at the time the order is placed or upon delivery.
- 14.12. **SEVERABILITY.** If any provision of this Master Contract is held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this Master Contract, and to this end the provisions of this Master Contract are declared to be severable. If such invalidity becomes known or apparent to the parties, the parties agree to negotiate promptly in good faith in an attempt to amend such provision as nearly as possible to be consistent with the intent of this Master Contract.
- 14.13. **WAIVER.** Failure of either party to insist upon the strict performance of any of the terms and conditions hereof, or failure to exercise any rights or remedies provided herein or by law, or to notify the other party in the event of breach, shall not release the other party of any of its obligations under this Master Contract, nor shall any purported oral modification or rescission of this Master Contract by either party operate as a waiver of any of the terms hereof. No

waiver by either party of any breach, default, or violation of any term, warranty, representation, contract, covenant, right, condition, or provision hereof shall constitute waiver of any subsequent breach, default, or violation of the same or other term, warranty, representation, contract, covenant, right, condition, or provision.

- 14.14. SURVIVAL. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this Master Contract shall survive and remain in effect following the expiration or termination of this Master Contract, *Provided*, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations periods.
- 14.15. GOVERNING LAW. The validity, construction, performance, and enforcement of this Master Contract shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules.
- 14.16. JURISDICTION & VENUE. In the event that any action is brought to enforce any provision of this Master Contract, the parties agree to submit to exclusive in personam jurisdiction in Thurston County Superior Court for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.
- 14.17. ATTORNEYS' FEES. Should any legal action or proceeding be commenced by either party in order to enforce this Master Contract or any provision hereof, or in connection with any alleged dispute, breach, default, or misrepresentation in connection with any provision herein contained, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with such action or proceeding, including costs of pursuing or defending any legal action, including, without limitation, any appeal, discovery, or negotiation and preparation of settlement arrangements, in addition to such other relief as may be granted.
- 14.18. FAIR CONSTRUCTION & INTERPRETATION. The provisions of this Master Contract shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Master Contract. Each party hereto and its counsel has reviewed and revised this Master Contract and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be construed in the interpretation of this Master Contract. Each term and provision of this Master Contract to be performed by either party shall be construed to be both a covenant and a condition.
- 14.19. FURTHER ASSURANCES. In addition to the actions specifically mentioned in this Master Contract, the parties shall each do whatever may reasonably be necessary to accomplish the transactions contemplated in this Master Contract including, without limitation, executing any additional documents reasonably necessary to effectuate the provisions and purposes of this Master Contract.
- 14.20. EXHIBITS. All exhibits referred to herein are deemed to be incorporated in this Master Contract in their entirety.
- 14.21. CAPTIONS & HEADINGS. The captions and headings in this Master Contract are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Master Contract nor the meaning of any provisions hereof.
- 14.22. ELECTRONIC SIGNATURES. A signed copy of this Master Contract or any other ancillary agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to

have the same legal effect as delivery of an original executed copy of this Master Contract or such other ancillary agreement for all purposes.


- 14.23. COUNTERPARTS. This Master Contract may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Master Contract at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Master Contract.

EXECUTED as of the date and year first above written.

STATE OF WASHINGTON
Department of Enterprise Services

PRISMA INTERNATIONAL, INC.,
a Minnesota Corporation

By: 
Corinna Cooper *Josh Klitz*

By: 
James V. Romano

Its: ~~Procurement Manager~~ *Procurement
Supervisor*

Its: Contract Manager

EXHIBIT A – STATEMENT OF WORK

1. DEFINITIONS

Business Days	Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Time, except for holidays observed by the state of Washington.
Calendar Days	Consecutive days of the year including weekends and holidays, each of which commence at 12:00:01 a.m. and end at Midnight, Pacific Time. When “days” are not specified, Calendar Days shall prevail.
Client Letter	Correspondence, averaging 1½ to 3 pages in length, generated through Automated Systems for an applicant or recipient of services describing the status of the benefits he/she has applied for or is receiving.
Department of Social and Health Services (DSHS)	Agency in Washington State government responsible for administering state and federally funded social service programs, including cash, food and medical assistance programs.
Depository	A place where something is deposited, as for storage, safekeeping or preservation; a repository.
DSHS/HCA Recognized Translator	Translator who is certified by: <ul style="list-style-type: none"> (1) The American Translators Association (ATA); or (2) A nonprofit organization that uses a credible certification program to certify professional translators and is recognized by the department; or (3) Another state or U.S. territory or another country whose certification program is comparable to DSHS certification and based upon similar requirements. See WAC 388-03-030: http://apps.leg.wa.gov/wac/default.aspx?cite+388-03-030 and LTC Examination Manual: https://www.dshs.wa.gov/sites/default/files/FSA/ltc/documents/ExamManualWEBVersion.pdf
DSHS/HCA Automated Systems	Data processing and/or payment systems designed to support client, financial, and management activities in DSHS and HCA. Through these systems, staff can enter, update and inquire on data relating to assistance units, clients, other agencies, providers, etc. This is specific to Category A but under Category B would be a different, unknown at this time, system.
Formatting of letters	The act of arranging and putting together previously translated text blocks into a specific format as requested by DSHS and HCA, preserving original margins, consistent fonts, etc.
Health Care Authority	The Washington State Health Care Authority (HCA) purchases health care for more than 2 million Washington residents through Apple Health (Medicaid), the Public Employees Benefits Board (PEBB) Program, and beginning in 2020, the School Employees Benefits Board (SEBB) Program.
Enterprise Technology (ET)	DSHS Division that provides technology services and network infrastructure, shares messaging and data security.
Keying-in	The act of typing English information (e.g., program names, client names, numbers, etc.) into a previously translated client letter.
Non-Supported Languages	All languages except Cambodian, Chinese, English, Korean, Laotian, Russian, Somali, Spanish and Vietnamese.

Translation	The process of transferring written words or text from one language into another.
Translator Testing Programs	Programs other than Department of Social and Health Services (DSHS), American Translation Association (ATA), and contracted translation companies that administer translator tests such as translator training programs of an academic institution.
Word Count	The total number of English words that need to be translated within a document. The word count is used to determine translation costs. The method used in word counting shall be the same as that used by most computer software programs (e.g. Readability Statistics).
Transfer of Translated Documents	On a calendar quarterly basis, or as requested, Contractor is required to upload all current text blocks or letters that Contractor has a translation for, to temporary internet sites (one for ProviderOne and one for ACES) provided by DSHS. File formats to be in Microsoft Word. DSHS and HCA shall each maintain their respective documents uploaded to the repository.

2. MINIMUM QUALIFICATIONS

Proposer must:

- a. Have a minimum of five years of experience in the translation business similar to the work and volume described in this RFP.
- b. Have sufficient staffing and equipment in order to respond to and complete work for all translation requests and deliver completed work within the required timeframes as outlined herein.
- c. Have the ability to store and manipulate translated text blocks, combining them into multiple documents.

Note: Currently there are approximately 160 different letter types and in excess of 1500 individual text blocks that need to be stored electronically. All translated text blocks and letters will be stored in multiple languages.

- d. Have a database that will electronically track translation projects, generate and distribute reports.
- e. Have a billing system that accurately details the costs for each translation project as specified in the Workflow Requirements and Procedures section of this document.
- f. Must be able to identify whether text has already been translated previously and utilize those pre-existing translations by utilizing translation memory software.

3. OVERVIEW

Client letters requiring translation will be scanned and placed in a depository within secure DSHS network storage. The contractor will be responsible for downloading and translating the English version into the requested language. Each client letter must be returned with both the English

and translated letters combined together to form a single, contiguous file which will be delivered to DSHS\ET to the designated, secure server through MQSeries as specified.

The contractor is to email a log of the number of translated letters, per language, which will be submitted in Microsoft Excel to DSHS\ET which directly corresponds with the delivered translated letters as referenced in the paragraph above.

Each client letter is coded by type(s) of action(s) (e.g., 010-No Change in Benefits) and either has a template number (HCA ProviderOne letters) or is broken down into text blocks (DSHS ACES letters). Each text block has been assigned a unique numerical identifier by DSHS. The contractor will be required to track all translated text blocks using the unique DSHS numerical identifier and DSHS Primary Language Codes.

4. TRANSLATED ACES TEXT BLOCKS/PROVIDERONE DEPOSITORY REQUIREMENTS

Each ACES client specific letter is identified numerically and textually based on the type(s) of action(s) taken (e.g, 010-No Change in Benefits). ProviderOne letters are uniquely identified numerically and textually based on the sub-system from which they are generated. (i.e.; client, managed care, coordination of benefits).

ACES letters are broken down into individual text blocks that are inserted into the letter. Which text blocks are used depends on the program(s) the individual has applied for.

Each ACES text block has been assigned a unique, nine digit numerical identifier by DSHS. The Contractor will be required to track all translated text blocks using the unique DSHS numerical identifier and DSHS primary Language Codes as provided herein. If a text block has not been seen by the contractor and they do not have a corresponding DSHS text block identifier, the contractor is responsible for reaching out to DSHS ET to obtain the text block number for tracking purposes.

ACES text blocks and ProviderOne letters periodically undergo revisions. Always check English originals stored in Translation Memory with the text blocks or full content of the letters before formatting letters sent for translation.

By the 10th of the month following each calendar quarter of service, Contractor shall send to two separate designated depositories, an electronic copy of all newly translated ACES text blocks and ProviderOne letters. ACES text blocks and ProviderOne letters shall be categorized by the unique numerical identifier, language code, and font used in Microsoft Word format.

Contractor shall keep on file information regarding each translated text block and ProviderOne letter.

5. WORKFLOW REQUIREMENTS AND PROCEDURES

Orders—Each business day, contractor will collect the file of letters from the online, secured depository for processing. The file will possess a file number assigned by DSHS/ET and will

consist of several "orders." Each order will represent a specific language being requested and has been given a unique order number. Each order will include one or more client letters. Contractor shall process each order and change the order number to a billing number that will identify the action that will be taken to process each client letter.

Computation Sheets - Some client letters will be accompanied by one or more computation sheets. Words on Computation sheets are to be translated. The computation sheets are printed along with the letter and are identified as the 9999/01 (Computation) and 9999/03 (Medical Assistance Computation).

Confirmation of Receipt - Upon receipt of a file the Contractor shall immediately confirm receipt of the file by email to DSHS/ET. This confirmation shall include the file number and the date and time of receipt of the file.

Rejection of an Order or File - If upon receipt of a file, the Contractor determines that any or all letters included in the file will not be able to meet the required time frames outlined in the contract, the Contractor shall immediately notify the Purchaser and the particular letter(s) must be returned to DSHS/ET within 1 business day of receipt. Failure to accept translation requests will be tracked and may be considered grounds for breach of contract.

Return of File - All letters that went out in one file must come back in the same file; unless one, or some, of the letters has/have been previously returned as a rejection OR the letter(s) has/have been identified as requiring new translation. The original letter, printed in English, must be returned on top of the translated letter. With the completed work, the Contractor will also submit electronically an EXCEL spreadsheet that includes the following information for all completed work being returned:

- a. Date received from DSHS/ET
- b. Date completed translated work is sent back to ET
- c. Billing numbers/client names and IDs
- d. Number of client letters by billing number and charge
- e. Word count by billing number and charge
- f. Charge for each billing number
- g. Names(s) and qualification(s) of translator(s) who worked on the project
- h. Which letters required keying
- i. Which letters required formatting
- j. Which letters required translations

Summary Report - Contractor will be required to submit a summary report with each file returned, indicating the following:

- a. Daily total charge,
- b. Which letters have been rejected and why they were rejected,
- c. Which letters are not included in the file because they require a new translation.

6. DELIVERY OF TRANSLATED DOCUMENTS

Contractor Data Transfer Requirements:

1. Contractor Data Transfer Responsibilities and Requirements:
 - a. DSHS will not be responsible for the implementation, management or maintenance of the Contractor's IBM MQ services with the exception of explicit roles and responsibilities as outlined within this section.
 - b. Contractor is responsible for the purchase and implementation of IBM MQ Server or IBM MQ Client which resides on Windows Server Version 10 or later. Contractor will have sufficient resources with necessary experience to ensure the implementation, management and maintenance of IBM MQ Server or IBM MQ Client:
 - i. At a minimum, the resources for this aspect of the contract must have the following experience and background:
 1. Must have three years in either IBM MQ Server or IBM MQ Client (depending on which service the Contractor implements);
 2. Must have three years in .NET or other programming (as an example may include C#, C, C++ or Java capability); and
 3. Must have three years in DOS Scripting or PowerShell.
 - c. Network access – Contractor is responsible for a leased circuit which will consist of either a circuit over IP or a fully leased, dedicated service, however there is a requirement of Quality of Service (QoS) to be 99% up time and consist of a sufficient bandwidth allowing for data throughput which will enable the transfer of very large files. The size of the files and the designation of the file will be determined once the contract is in pre-selection phase, however the contractor will be responsible for ensuring data throughput will be sufficient to allow a full transfer within a four hour window and be available to the contractor within 24 hours of submission by DSHS.
 - d. DSHS will provide the contractor with the necessary scripts and parameters to ensure enablement of data transfer and system configuration between the contractor and DSHS. The contractor will be responsible for the implementation, management and maintenance of the scripts and parameters without the assistance of DSHS technical staff; with the exception of fine tuning and testing the system to ensure full systems capability.
 - e. Key Store: If IBM Client Connected With a Service Account
 - i. The Contractor will be responsible for the creation of a Service Account and that Service Account will only be used by the IBM MQ Service and not by other systems or people;
 - ii. The contractor will provide DSHS with the Service Account Information, less the password;
 - iii. DSHS will be responsible for the creation of a certificate with WaTech;
 - iv. DSHS will give to the contractor the Key Store with their private key and certificate authority and public keys so the contractor's IBM MQ Channels may connect to DSHS securely; and
 - v. Contractor must have resource(s) which understand and can implement and maintain the Key Store.
 - f. Key Store: : If IBM Server Connected with a Queue Manager
 - i. DSHS will be responsible for the creation of a certificate with WaTech;

- ii. DSHS will give to the contractor the Key Store with their private key and certificate authority and public keys so the contractor's IBM MQ Channels may connect to DSHS securely; and
 - iii. Contractor must have resource(s) which understand and can implement and maintain the Key Store.
 - g. Transport Layer Security (TLS) – DSHS uses TLS as the security and encryption mechanism within the IBM MQ Channels. As such, the Contractor must have sufficient resources and experience in TLS to ensure the successful implementation for secure data file transfer.
- 2. Proposer will be required to present their plan and management for the implementation of this section within their bid documentation. The Contractor's plan must include at a minimum the following information:
 - a. Describe the current, if any, IBM MQ Channel installations including date of implementation, experience and background of staff supporting IBM MQ Channel installation (including, but not limited to, years of supporting IBM MQ Channel, programming languages proficient in);
 - b. If an IBM MQ Channel is not currently being used, provide the following information:
 - i. Project plan which provides the high level outline of activities, dates and resources which will be responsible for implementation of the Contractor's IBM MQ Channel;
 - ii. Provide the Contractor's approach to acquiring resources necessary to implement, manage and maintain the Contractor's IBM MQ Channel installation. Include how the Contractor's will validate the qualifications of the resources to ensure they meet the minimum requirements as outlined in 1.b.i above;
 - iii. Outline of the Contractor's DR and COOP capability regarding their IBM MQ Channel system; and
 - iv. Hours of operational support (i.e. M-F, 8:00 am to 5:00 pm, as an example) along with off hours support and incident management.

7. TECHNICAL REQUIREMENTS

The Contractor will be required to complete a variety of tasks for each order, which include:

- a. Identifying which text has been translated;
- b. Creating an exact translated version of the client letter, which requires:
 - Retrieving and formatting of stored, previously translated text
 - Translating and formatting of any new text
 - Keying-in to the translated letter, but shall not be translated themselves:
 - Numbers and dates
 - Client names within Salutations
 - Addresses
 - Letterheads and logos
 - Agency names (DSHS and/or HCA)

- c. Coding and storing newly translated text blocks and ProviderOne letters in a database. Stored text blocks and letters must be coded with the unique DSHS or HCA numerical identifier and DSHS/HCA approved primary language code. Please see exhibit B2.

8. CONTRACTOR'S ACCESS TO DOCUMENTS TO BE TRANSLATED

It is the Contractor's responsibility to electronically access Purchaser established depository on a daily basis to accept and translate client letters needing translation.

9. UNACCEPTABLE RETURNS

If the Contractor returns letters with any of the following errors, correction is required at contractor's expense and no compensation will be due for:

- a. Partial letters – missing pages, or paragraphs, of the original letter;
- b. Translation of numbers;
- c. Translation of names and addresses.

10. EXCEPTIONS TO DELAYED LETTERS

All letters that were delivered to the contractor in one file must come back in the same file. If some letters are missing from the delivery file, they must be identified on the summary report along with the reason for not being included (e.g., needs new translation).

11. COMMUNICATION AND MISTAKES

Upon written request, via email, Contractor shall have 1 business day, not including holidays, to correct any translation or other error found on a client letter. The Contractor shall be responsible for any costs related to correcting translations formatted or translated incorrectly. Payment will not be made for translations that are not completed in accordance with the corrections requested by DSHS or HCA.

Contractor shall respond to all emails or voicemails sent from the state within 1 business day of the email being sent or voicemail left, no exceptions.

12. TURNAROUND TIMES FRAMES

The Contractor will be required to complete translation requests within the following timeframes. Time frames will be tracked beginning with the business day after DSHS/ET receives a confirmation email from the Contractor that letters have been downloaded and ending with the business day the Contractor emails DSHS/ET confirming they have downloaded the completed client letters.

Translation requests are to be completed:

- a. Within 5 business days for correspondence which requires keying-in or formatting of previously translated text in all languages.
- b. Within 10 business days for correspondence which requires keying-in, formatting, and new translation.

If unable to meet the timeframes as outlined in '12.a' and '12.b' above, the Contractor shall reject the job and return original requests to ET within 1 business day of receipt.

Accepted client letters will be fully reimbursed when the time frames mentioned above are met. Compensation for translated client letters returned late is as follows:

Letter Returned: Business Days Late	Compensation % of contract rate
1	75%
2	50%
3	25%
4	No Compensation, plus \$50.00 per day per letter late fee applied until letter delivered

For correspondence requiring keying-in, formatting, and new translation:

Letter Returned: Business Days Late	Compensation % of contract rate
1	87.5%
2	75%
3	62.5%
4	50%
5	37.5%
6	25%
7	12.5%
8	No Compensation, plus \$50.00 per day per letter late fee applied until letter delivered

Contractor will assume responsibility for costs related to correcting jobs translated or formatted incorrectly. Payment will not be made if the final product is determined by DSHS or HCA to have not been done or rectified in accordance with translation request specifications. DSHS and HCA are the final arbitrators in determining translation accuracy, or if any letter not received.

13. TRANSLATION QUALITY

Contractor must ensure and promote translation accuracy.

- i. Translator's qualification: Use DSHS/HCA recognized translators (see Definitions.)
- a. If no recognized translators available use translators that passed approved Contractor testing for translators.

Note: During contract term DSHS and HCA reserve the right to monitor and require improvements to previously approved Contractor testing programs.

- ii. Compliance with the Code of Ethics: <https://www.dshs.wa.gov/fsa/language-testing-and-certification-program/code-ethics>

- iii. Review: Contractor must review each translation prior to transmittal to DSHS/ET to ensure that the translated document is linguistically accurate and consistent with the formatting and technical specifications of the original English document. A workflow chart showing the contractor's process for review, is sufficient to meet this requirement.

14. BILLING SPECIFICATIONS/PAYMENT PROCESSES

Contractor must use English as the base language for calculating per word translation costs. Contractor is responsible for all costs associated with the completion of each translation, including staff time, printers and other office equipment, computer hardware and software, electronic disks, toll-free fax service, and other necessary material.

The fee schedule established through this contract shall be the maximum compensation for services performed under this contract. Contractor shall not accept additional money, considerations or favors for services provided under this contract.

The contractor will submit all invoices in electronic form to the DSHS/ET email address provided for verification and payment on a monthly basis.

DSHS and HCA will authorize payment for services rendered within 30 days of the signed invoice as per state regulation.

15. LINGUISTIC RESOURCES REQUIREMENTS

The Contractor is required to maintain resources of qualified translators for Principal Languages at all times. Rejection of the translation request for Amharic, Arabic, Burmese, Farsi (Persian, Dari), Tagalog, Tigrigna, Punjabi or Ukrainian language due to lack of linguistic resources may be considered grounds for breach of contract.

A list of linguistic resources provided by the contractor on their proposal must be submitted to DES every time any changes occur.

The contractor is expected to actively recruit qualified translators in all needed languages (see Exhibit B2.)

16. JOB FILE TRACKING The Contractor will provide the following tracking information on a daily basis:

- Job number
- Date of receipt by contractor
- Date returned to DSHS/ET
- Letter Number
- Text blocks code numbers translated
- Number of words per letter translated
- Summary of languages translated

17. COMPLIANCE CHECKS

At Contractor's expense, and upon request, Contractor shall meet with DSHS/HCA representatives to review compliance with the terms of the contract and to discuss service performance issues. Contractor shall also allow for periodic site visits upon request of the State.

Upon request from DES, Contractor shall submit a comprehensive list of all translators Contractor will utilize to meet the terms of this contract. Once said request is received, Contractor shall have 15 days to provide this list.

The list of translators must be electronically updated and sent to DES whenever a change in translator staff is made. These updates will be sent to DSHS and HCA by DES within 5 days of any change. The list must include languages in which the translators are performing work.

18. TRANSITION PROCESS

Note: If, at any time during the "transition process" described below, the state determines that the contractor is unable to successfully demonstrate their ability to transition/assume the contract performance requirements, the state reserves the right to terminate the relationship and move to the next bidder.

To ensure a seamless transition post-award of this contract the following actions will be required by the contractor to demonstrate their ability to successfully meet the requirements of the contract (please also see the attached example of a "transition calendar")

1. Within 10 calendar days of notice of award of this contract, the successful bidder will provide and present a project plan outlining the steps and resources necessary to transition services from the current contract to the new contract. The project plan will include:
 - a. Identification of activities required by both the contractor, DSHS, HCA, DES and any third party and/or external dependencies to ensure successful completion of a trial.
2. The contractor will provide deliverables which demonstrate success of the full processes as required within this contract, to include identifying risks and issues derived during the transition period. In addition, contractor shall provide documentation that tracks progress.
 - a. The contractor, DSHS, DES and HCA will appoint primary contacts who will participate in the transition period.
 - b. The contractor will provide a single point of contact for the manager of the transition plan to DSHS, DES and HCA.
3. The contractor will participate with representatives of DSHS ET in daily check-in meetings to assess progress, review any risks and/or issues and mitigation strategy to correct these. Both parties commit to escalate issues that may require clarification or further direction to the Procurement Coordinator.
4. The contractor will demonstrate their quality assurance process. This process will include validation of the accuracy of the translations, and billing /invoicing practices.

5. There will be a phasing in process. The contractor will initially receive 10% of the translations. The contractor will be required to complete the translations within the timeframes required, including providing the billing/invoicing documents. Upon accurate completion of the translations and invoicing, the contractor will receive the next set of translations. A sample schedule to increase translations from 10% - 100% if translations are accurate is attached.
6. During the transition period described above, contractor shall be able to demonstrate their ability to accommodate "spikes" in service requests caused by federal law changes (typically experienced in the months of April, July and October).

Transition Calendar (Dates are estimates only)

SEPTEMBER 2018						
SU	MO	TU	WE	TH	FR	SA
						1
2	3 Holiday	4	5	6	7 sent-Day 0	8
9	10	11	12	13	14	15
16	17	18	19 Return - Day 8	20 Sent - Day 0	21	22
23	24	25	26	27	28	29
30						

OCTOBER 2018						
SU	MO	TU	WE	TH	FR	SA
	1	2 Return - Day 8	3 Sent - Day 0	4	5	6
7	8	9	10	11	12	13
14	15 Return Day 8	16 Sent Day 0	17	18	19	20
21	22	23	24	25	26 Return Day 8	27
28	29 Sent Day 0	30	31			

NOVEMBER 2018						
SU	MO	TU	WE	TH	FR	SA
				1	2	3
4	5	6	7	8 Return Day 8	9 Sent Day 0	10
11	12 Holiday	13	14	15	16	17
18	19	20	21	22 Holiday	23 Holiday	24
25	26 Return Day 8	27 Sent Day 0	28	29	30	

DECEMBER 2018						
SU	MO	TU	WE	TH	FR	SA
						1
2	3	4	5	6	7 Return Day 8	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25 Holiday	26	27	28	29
30	31					

Key

Holiday :

10% of translations sent to contractor

20% of translations sent to contractor (moves up only if the last amount was returned on time and acceptable)

30% of translations sent to contractor

40% of translations sent to contractor

50% of translations sent to contractor

75% of translations sent to contractor

100% of translations sent to contractor

Exhibit B- PRICES FOR GOODS/SERVICES

Exhibit B			
Prices for Translation Services System Generated Client Letters			
Unit	Category A - DSHS & HCA Only	Unit	Category B - all other users
Charge Per Client Letter	\$8.68	Charge Per Client Letter	\$8.68
Charge Per English Word	\$0.154	Charge Per English Word	\$0.154
Compensation Rate from Vendor to Customer for not meeting timeframes not met as defined by Exhibit A			
Letter Returned: Business Days Late	Compensation % of contract rate for for translated client letters		
1	75%		
2	50%		
3	25%		
4	No Compensation plus \$50.00 per day per letter late fee applied until letter delivered		
Letter Returned: Business Days Late	Compensation % of contract rate for For correspondence requiring keying-in, formatting, and new translation		
1	87.5%		
2	75%		
3	62.5%		
4	50%		
5	37.5%		
6	25%		
7	12.5%		

8	No Compensation plus \$50.00 per day per letter late fee applied until letter delivered
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Exhibit C- INSURANCE REQUIREMENTS

1. **INSURANCE OBLIGATION.** During the Term of this Master Contract, Contractor obtain and maintain in full force and effect, at Contractor's sole expense, the following insurance coverages:
 - a. **COMMERCIAL GENERAL LIABILITY INSURANCE.** Commercial General Liability Insurance (and, if necessary, commercial umbrella liability insurance) covering Bodily Injury and Property Damage on an 'occurrence form' in the amount of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. This coverage shall include Contractual Liability insurance for the indemnity provided under this Master Contract.

The limits of all insurance required to be provided by Contractor shall be no less than the minimum amounts specified. Coverage in the amounts of these minimum limits, however, shall not be construed to relieve Contractor from liability in excess of such limits.

A cross-liability clause or separation of insured condition shall be included in all general liability, professional liability, pollution, and errors and omissions policies required by this Master Contract.

2. **INSURANCE CARRIER RATING.** Coverages provided by the Contractor must be underwritten by an insurance company deemed acceptable to the State of Washington's Office of Risk Management. Insurance coverage shall be provided by companies authorized to do business within the State of Washington and rated A- Class VII or better in the most recently published edition of Best's Insurance Rating. Enterprise Services reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.
3. **ADDITIONAL INSURED.** Except for Works' Compensation, Professional Liability, Personal Automobile Liability, and Pollution Liability Insurance, all required insurance shall include the State of Washington and all authorized Purchasers (and their agents, officers, and employees) as an Additional Insureds evidenced by copy of the Additional Insured Endorsement attached to the Certificate of Insurance on such insurance policies.
4. **CERTIFICATE OF INSURANCE.** Upon request by Enterprise Services, Contractor shall furnish to Enterprise Services, as evidence of the insurance coverage required by this Master Contract, a certificate of insurance satisfactory to Enterprise Services that insurance, in the above-stated kinds and minimum amounts, has been secured. A renewal certificate shall be delivered to Enterprise Services no less than ten (10) days prior to coverage expiration. Failure to provide proof of insurance, as required, will result in contract cancellation. All policies and certificates of insurance shall include the Master Contract number stated on the cover of this Master Contract.
5. **PRIMARY COVERAGE.** Contractor's insurance shall apply as primary and shall not seek contribution from any insurance or self-insurance maintained by, or provided to, the additional insureds listed above including, at a minimum, the State of Washington and/or any Purchaser. All insurance or self-insurance of the State of Washington and/or Purchasers shall be excess of any insurance provided by Contractor or subcontractors.
6. **SUBCONTRACTORS.** Contractor shall include all subcontractors as insureds under all required insurance policies, or shall furnish separate Certificates of Insurance and endorsements for each subcontractor. Each subcontractor must comply fully with all insurance requirements stated

herein. Failure of any subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

7. **WAIVER OF SUBROGATION.** Contractor waives all rights of subrogation against the State of Washington and any Purchaser for the recovery of damages to the extent such damages are or would be covered by the insurance specified herein.
8. **NOTICE OF CHANGE OR CANCELLATION.** There shall be no cancellation, material change, exhaustion of aggregate limits, or intent not to renew insurance coverage, either in whole or in part, without at least sixty (60) days prior written Legal Notice by Contractor to Enterprise Services. Failure to provide such notice, as required, shall constitute default by Contractor. Any such written notice shall include the Master Contract number stated on the cover of this Master Contract.

Exhibit D- DSHS/ HCA HIPPA REQUIREMENTS

Preamble: This section of the Contract is the Business Associate Agreement as required by HIPAA.

1. Definitions.

- a. "Business Associate," as used in this Contract, means the "Contractor" and generally has the same meaning as the term "business associate" at 45 CFR 160.103. Any reference to Business Associate in this Contract includes Business Associate's employees, agents, officers, Subcontractors, third party contractors, volunteers, or directors.
- b. "Business Associate Agreement" means this HIPAA Compliance section of the Contract and includes the Business Associate provisions required by the U.S. Department of Health and Human Services, Office for Civil Rights.
- c. "Breach" means the acquisition, access, use, or disclosure of Protected Health Information in a manner not permitted under the HIPAA Privacy Rule which compromises the security or privacy of the Protected Health Information, with the exclusions and exceptions listed in 45 CFR 164.402.
- d. "Covered Entity" means DSHS, a Covered Entity as defined at 45 CFR 160.103, in its conduct of covered functions by its health care components.
- e. "Designated Record Set" means a group of records maintained by or for a Covered Entity, that is: the medical and billing records about Individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or Used in whole or part by or for the Covered Entity to make decisions about Individuals.
- f. "Electronic Protected Health Information (EPHI)" means Protected Health Information that is transmitted by electronic media or maintained in any medium described in the definition of electronic media at 45 CFR 160.103.
- g. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191, as modified by the American Recovery and Reinvestment Act of 2009 ("ARRA"), Sec. 13400 – 13424, H.R. 1 (2009) (HITECH Act).
- h. "HIPAA Rules" means the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Parts 160 and Part 164.
- i. "Individual(s)" means the person(s) who is the subject of PHI and includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- j. "Minimum Necessary" means the least amount of PHI necessary to accomplish the purpose for which the PHI is needed.
- k. "Protected Health Information (PHI)" means individually identifiable health information created, received, maintained or transmitted by Business Associate on behalf of a health care component of the Covered Entity that relates to the provision

of health care to an Individual; the past, present, or future physical or mental health or condition of an Individual; or the past, present, or future payment for provision of health care to an Individual. 45 CFR 160.103. PHI includes demographic information that identifies the Individual or about which there is reasonable basis to believe can be used to identify the Individual. 45 CFR 160.103. PHI is information transmitted or held in any form or medium and includes EPHI. 45 CFR 160.103. PHI does not include education records covered by the Family Educational Rights and Privacy Act, as amended, 20 USCA 1232g(a)(4)(B)(iv) or employment records held by a Covered Entity in its role as employer.

- l. "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with system operations in an information system.
 - m. "Subcontractor" as used in this HIPAA Compliance section of the Contract (in addition to its definition in the General Terms and Conditions) means a Business Associate that creates, receives, maintains, or transmits Protected Health Information on behalf of another Business Associate.
 - n. "Use" includes the sharing, employment, application, utilization, examination, or analysis, of PHI within an entity that maintains such information.
2. **Compliance.** Business Associate shall perform all Contract duties, activities and tasks in compliance with HIPAA, the HIPAA Rules, and all attendant regulations as promulgated by the U.S. Department of Health and Human Services, Office of Civil Rights.
 3. **Use and Disclosure of PHI.** Business Associate is limited to the following permitted and required uses or disclosures of PHI:
 - a. **Duty to Protect PHI.** Business Associate shall protect PHI from, and shall use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 (Security Standards for the Protection of Electronic Protected Health Information) with respect to EPHI, to prevent the unauthorized Use or disclosure of PHI other than as provided for in this Contract or as required by law, for as long as the PHI is within its possession and control, even after the termination or expiration of this Contract.
 - b. **Minimum Necessary Standard.** Business Associate shall apply the HIPAA Minimum Necessary standard to any Use or disclosure of PHI necessary to achieve the purposes of this Contract. See 45 CFR 164.514 (d)(2) through (d)(5).
 - c. **Disclosure as Part of the Provision of Services.** Business Associate shall only Use or disclose PHI as necessary to perform the services specified in this Contract or as required by law, and shall not Use or disclose such PHI in any manner that would violate Subpart E of 45 CFR Part 164 (Privacy of Individually Identifiable Health Information) if done by Covered Entity, except for the specific uses and disclosures set forth below.
 - d. **Use for Proper Management and Administration.** Business Associate may Use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

- e. Disclosure for Proper Management and Administration. Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been Breached.
- f. Impermissible Use or Disclosure of PHI. Business Associate shall report to DSHS in writing all Uses or disclosures of PHI not provided for by this Contract within one (1) business day of becoming aware of the unauthorized Use or disclosure of PHI, including Breaches of unsecured PHI as required at 45 CFR 164.410 (Notification by a Business Associate), as well as any Security Incident of which it becomes aware. Upon request by DSHS, Business Associate shall mitigate, to the extent practicable, any harmful effect resulting from the impermissible Use or disclosure.
- g. Failure to Cure. If DSHS learns of a pattern or practice of the Business Associate that constitutes a violation of the Business Associate's obligations under the terms of this Contract and reasonable steps by DSHS do not end the violation, DSHS shall terminate this Contract, if feasible. In addition, If Business Associate learns of a pattern or practice of its Subcontractors that constitutes a violation of the Business Associate's obligations under the terms of their contract and reasonable steps by the Business Associate do not end the violation, Business Associate shall terminate the Subcontract, if feasible.
- h. Termination for Cause. Business Associate authorizes immediate termination of this Contract by DSHS, if DSHS determines that Business Associate has violated a material term of this Business Associate Agreement. DSHS may, at its sole option, offer Business Associate an opportunity to cure a violation of this Business Associate Agreement before exercising a termination for cause.
- i. Consent to Audit. Business Associate shall give reasonable access to PHI, its internal practices, records, books, documents, electronic data and/or all other business information received from, or created or received by Business Associate on behalf of DSHS, to the Secretary of DHHS and/or to DSHS for use in determining compliance with HIPAA privacy requirements.
- j. Obligations of Business Associate Upon Expiration or Termination. Upon expiration or termination of this Contract for any reason, with respect to PHI received from DSHS, or created, maintained, or received by Business Associate, or any Subcontractors, on behalf of DSHS, Business Associate shall:
 - (1) Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
 - (2) Return to DSHS or destroy the remaining PHI that the Business Associate or any Subcontractors still maintain in any form;
 - (3) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR

Part 164 (Security Standards for the Protection of Electronic Protected Health Information) with respect to Electronic Protected Health Information to prevent Use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate or any Subcontractors retain the PHI;

- (4) Not Use or disclose the PHI retained by Business Associate or any Subcontractors other than for the purposes for which such PHI was retained and subject to the same conditions set out in the "Use and Disclosure of PHI" section of this Contract which applied prior to termination; and
 - (5) Return to DSHS or destroy the PHI retained by Business Associate, or any Subcontractors, when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.
- k. Survival. The obligations of the Business Associate under this section shall survive the termination or expiration of this Contract.

4. Individual Rights.

a. Accounting of Disclosures.

- (1) Business Associate shall document all disclosures, except those disclosures that are exempt under 45 CFR 164.528, of PHI and information related to such disclosures.
- (2) Within ten (10) business days of a request from DSHS, Business Associate shall make available to DSHS the information in Business Associate's possession that is necessary for DSHS to respond in a timely manner to a request for an accounting of disclosures of PHI by the Business Associate. See 45 CFR 164.504(e)(2)(ii)(G) and 164.528(b)(1).
- (3) At the request of DSHS or in response to a request made directly to the Business Associate by an Individual, Business Associate shall respond, in a timely manner and in accordance with HIPAA and the HIPAA Rules, to requests by Individuals for an accounting of disclosures of PHI.
- (4) Business Associate record keeping procedures shall be sufficient to respond to a request for an accounting under this section for the six (6) years prior to the date on which the accounting was requested.

b. Access

- (1) Business Associate shall make available PHI that it holds that is part of a Designated Record Set when requested by DSHS or the Individual as necessary to satisfy DSHS's obligations under 45 CFR 164.524 (Access of Individuals to Protected Health Information).
- (2) When the request is made by the Individual to the Business Associate or if DSHS asks the Business Associate to respond to a request, the Business Associate shall comply with requirements in 45 CFR 164.524 (Access of Individuals to Protected Health Information) on form, time and manner of access. When the

request is made by DSHS, the Business Associate shall provide the records to DSHS within ten (10) business days.

c. Amendment.

(1) If DSHS amends, in whole or in part, a record or PHI contained in an Individual's Designated Record Set and DSHS has previously provided the PHI or record that is the subject of the amendment to Business Associate, then DSHS will inform Business Associate of the amendment pursuant to 45 CFR 164.526(c)(3) (Amendment of Protected Health Information).

(2) Business Associate shall make any amendments to PHI in a Designated Record Set as directed by DSHS or as necessary to satisfy DSHS's obligations under 45 CFR 164.526 (Amendment of Protected Health Information).

5. **Subcontracts and other Third Party Agreements.** In accordance with 45 CFR 164.502(e)(1)(ii), 164.504(e)(1)(i), and 164.308(b)(2), Business Associate shall ensure that any agents, Subcontractors, independent contractors or other third parties that create, receive, maintain, or transmit PHI on Business Associate's behalf, enter into a written contract that contains the same terms, restrictions, requirements, and conditions as the HIPAA compliance provisions in this Contract with respect to such PHI. The same provisions must also be included in any contracts by a Business Associate's Subcontractor with its own business associates as required by 45 CFR 164.314(a)(2)(b) and 164.504(e)(5) .
6. **Obligations.** To the extent the Business Associate is to carry out one or more of DSHS's obligation(s) under Subpart E of 45 CFR Part 164 (Privacy of Individually Identifiable Health Information), Business Associate shall comply with all requirements that would apply to DSHS in the performance of such obligation(s).
7. **Liability.** Within ten (10) business days, Business Associate must notify DSHS of any complaint, enforcement or compliance action initiated by the Office for Civil Rights based on an allegation of violation of the HIPAA Rules and must inform DSHS of the outcome of that action. Business Associate bears all responsibility for any penalties, fines or sanctions imposed against the Business Associate for violations of the HIPAA Rules and for any imposed against its Subcontractors or agents for which it is found liable.
8. **Breach Notification.**
- a. In the event of a Breach of unsecured PHI or disclosure that compromises the privacy or security of PHI obtained from DSHS or involving DSHS clients, Business Associate will take all measures required by state or federal law.
- b. Business Associate will notify DSHS within one (1) business day by telephone and in writing of any acquisition, access, Use or disclosure of PHI not allowed by the provisions of this Contract or not authorized by HIPAA Rules or required by law of which it becomes aware which potentially compromises the security or privacy of the Protected Health Information as defined in 45 CFR 164.402 (Definitions).
- c. Business Associate will notify the DSHS Contact shown on the cover page of this Contract within one (1) business day by telephone or e-mail of any potential Breach

of security or privacy of PHI by the Business Associate or its Subcontractors or agents. Business Associate will follow telephone or e-mail notification with a faxed or other written explanation of the Breach, to include the following: date and time of the Breach, date Breach was discovered, location and nature of the PHI, type of Breach, origination and destination of PHI, Business Associate unit and personnel associated with the Breach, detailed description of the Breach, anticipated mitigation steps, and the name, address, telephone number, fax number, and e-mail of the individual who is responsible as the primary point of contact. Business Associate will address communications to the DSHS Contact. Business Associate will coordinate and cooperate with DSHS to provide a copy of its investigation and other information requested by DSHS, including advance copies of any notifications required for DSHS review before disseminating and verification of the dates notifications were sent.

- d. If DSHS determines that Business Associate or its Subcontractor(s) or agent(s) is responsible for a Breach of unsecured PHI:
 - (1) requiring notification of Individuals under 45 CFR § 164.404 (Notification to Individuals), Business Associate bears the responsibility and costs for notifying the affected Individuals and receiving and responding to those Individuals' questions or requests for additional information;
 - (2) requiring notification of the media under 45 CFR § 164.406 (Notification to the media), Business Associate bears the responsibility and costs for notifying the media and receiving and responding to media questions or requests for additional information;
 - (3) requiring notification of the U.S. Department of Health and Human Services Secretary under 45 CFR § 164.408 (Notification to the Secretary), Business Associate bears the responsibility and costs for notifying the Secretary and receiving and responding to the Secretary's questions or requests for additional information; and
 - (4) DSHS will take appropriate remedial measures up to termination of this Contract.

9. **Miscellaneous Provisions.**

- a. **Regulatory References.** A reference in this Contract to a section in the HIPAA Rules means the section as in effect or amended.
- b. **Interpretation.** Any ambiguity in this Contract shall be interpreted to permit compliance with the HIPAA Rules.

Exhibit E – DSHS/HCA Data Security Requirements

Contractors performing services under this contract must at all times adhere to the applicable sections of the Washington State Office of the Chief Information Officer standards found here: <https://ocio.wa.gov/policies/141-securing-information-technology-assets>

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. “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.
- c. “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.

Data Transport. When transporting DSHS/ET 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.

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.
- 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.

3.

For DSHS/ET 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 5. 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) in local workstation optical disc drives.** Data provided by DSHS/ET on optical discs which will be used in local workstation optical disc drives and which will not be transported out of a Secured Area. When not in use for the contracted purpose, such discs must be locked in a drawer, cabinet or other container to which only Authorized Users have the key, combination or mechanism required to access the contents of the container. Workstations which access DSHS/ET Data on optical discs must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- d. **Optical discs (CDs or DVDs) in drives or jukeboxes attached to servers.** Data provided by DSHS/ET on optical discs which will be attached to network servers and which will not be transported out of a Secured Area. Access to Data on these discs will be restricted to Authorized Users through the use of access control lists which will grant access only after the Authorized User has authenticated to the network using a Unique User ID and Hardened Password or other authentication mechanisms which provide equal or greater security, such as biometrics or smart cards. Data on discs attached to such servers must be located in an area which is accessible only to authorized personnel, with access controlled through use of a key, card key, combination lock, or comparable mechanism.
- 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/ET 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/ET staff immediately whenever an Authorized User in possession of such credentials is terminated or otherwise leaves the

employ of the Contractor, and whenever an Authorized User's duties change such that the Authorized User no longer requires access to perform work for this Contract.

g. Data storage on portable devices or media.

(1) Except where otherwise specified herein, DSHS/ET Data shall not be stored by the Contractor on portable devices or media unless specifically authorized within the terms and conditions of the Contract. If so authorized, the Data shall be given the following protections:

- (a) Encrypt the Data with a key length of at least 128 bits
- (b) Control access to devices with a Unique User ID and Hardened Password or stronger authentication method such as a physical token or biometrics.
- (c) Manually lock devices whenever they are left unattended and set devices to lock automatically after a period of inactivity, if this feature is available. Maximum period of inactivity is 20 minutes.

Physically Secure the portable device(s) and/or media by

- (d) Keeping them in locked storage when not in use
 - (e) Using check-in/check-out procedures when they are shared, and
 - (f) Taking frequent inventories
- (2) When being transported outside of a Secured Area, portable devices and media with DSHS/ET Confidential Information must be under the physical control of Contractor staff with authorization to access the Data.
- (3) 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.
- (4) 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.

(1) DSHS/ET 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/ET

Confidential Information still exists upon it, such media will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition

- (2) DSHS/ET 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/ET Confidential Information still exists upon it, the data will be destroyed at that time in accordance with the disposition requirements in Section 5. Data Disposition.

4. Data Segregation.

- a. DSHS/ET Data must be segregated or otherwise distinguishable from non-DSHS/ET data. This is to ensure that when no longer needed by the Contractor, all DSHS/ET Data can be identified for return or destruction. It also aids in determining whether DSHS/ET 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/ET Data will be kept on media (e.g. hard disk, optical disc, tape, etc.) which will contain no non-DSHS/ET Data. And/or,
- c. DSHS/ET Data will be stored in a logical container on electronic media, such as a partition or folder dedicated to DSHS/ET Data. And/or,
- d. DSHS/ET Data will be stored in a database which will contain no non-DSHS/ET data. And/or,
- e. DSHS/ET Data will be stored within a database and will be distinguishable from non-DSHS/ET data by the value of a specific field or fields within database records.
- f. When stored as physical paper documents, DSHS/ET Data will be physically segregated from non-DSHS/ET data in a drawer, folder, or other container.
- g. When it is not feasible or practical to segregate DSHS/ET Data from non-DSHS/ET data, then both the DSHS/ET Data and the non-DSHS/ET data with which it is commingled must be protected as described in this exhibit.

- 5. 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/ET 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

6. **Notification of Compromise or Potential Compromise.** The compromise or potential compromise of DSHS/ET shared Data must be reported to the DSHS/ET Contact designated in the Contract within one (1) business day of discovery. If no DSHS/ET 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.

7. **Data shared with Subcontractors.** If DSHS/ET 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/ET Contact specified for this contract for review and approval.

