

CONTRACT NO. MA-042-20011446
FOR
FASTPACK EXP CONSUMABLES AND MAINTENANCE SERVICES
WITH
TARGA PARENT HOLDING, LLC
DBA PARATA SYSTEM, LLC

This Contract Number MA-042-20011446 ("Contract"), is made and entered into this ____ day of _____ 2020 ("Effective Date") between Targa Parent Holding, LLC DBA Parata System, LLC ("Contractor"), with a place of business at 106 Roche Dr., Durham, NC 27703-0359 and County of Orange, a political subdivision of the State of California ("County"), through its Health Care Agency, with a place of business at 200 W. Santa Ana Blvd., Suite 650, Santa Ana, CA 92701-7506. Contractor and County may sometimes be referred to hereinafter individually as "Party" or collectively as "Parties."

ATTACHMENTS

This Contract is comprised of these documents and the following Attachments, which are attached hereto and incorporated by reference into this Contract:

- Attachment A – HCA Scope of Work
- Attachment B – Compensation and Payment Terms
- Attachment C – OCHCA Security Requirements and Guidelines for Contractors and Application Service Providers

RECITALS

WHEREAS, the County, Health Care Agency (HCA) desires to enter into a Contract for Fastpack Exp Consumables and Maintenance Services with Contractor per the terms and conditions of Contract No. MA-042-20011446; and

WHEREAS, Contractor agrees to provide services to the County as further set forth in the Scope of Work, attached hereto as Attachment A; and

WHEREAS, County agrees to pay Contractor based on the delivery schedule as set forth in Pricing, attached hereto as Attachment B; and

WHEREAS, County of Orange Board of Supervisors has authorized the County Procurement Officer or designee to enter into Contract with Contractor for obtaining said services; and

NOW, THEREFORE, the Parties mutually agree as follows:

ARTICLES

General Terms and Conditions

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any conflict between this Contract and the Attachments, this Contract shall control. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be

a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

- B. **Entire Contract:** This Contract contains the entire Contract between the Parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Purchasing Agent or designee.
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties; no oral understanding or agreement not incorporated herein shall be binding on either of the Parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County's Purchasing Agent or designated DPA in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to the Contractor.
- E. **Delivery:** Time of delivery of goods or services is of the essence in this Contract. County reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind County to accept future shipments nor deprive it of the right to return goods already accepted at Contractor's expense. Over shipments and under shipments of goods shall be only as agreed to in writing by County. Delivery shall not be deemed to be complete until all goods or services have actually been received and accepted in writing by County.
- F. **Acceptance/Payment:** Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of County, and 2) payment shall be made as referenced in Attachment B – Compensation and Payment Terms.
- G. **Warranty:** Contractor expressly warrants that the goods covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnities as identified in paragraph "Z" below, and as more fully described in paragraph "Z," harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph “Z” below, it shall indemnify, defend and hold County and County Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, costs and expenses but not including attorney’s fees.
- I. **Assignment:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the Parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of County. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.
- K. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause [after Contractor received opportunity to cure such breach within 30 days from receipt breach notification](#), or after 30 days’ written notice without cause unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligation.
- L. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. **Independent Contractor:** Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers’ compensation or other fringe benefits of any kind through County.
- N. **Performance Warranty:** Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to County’s satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance

of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.

- O. **Insurance Provisions:** Prior to the provision of services under this Contract, the Contractor agrees to purchase all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage, Certificates of Insurance, and endorsements on deposit with the County during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an additional insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIRs) shall be clearly stated on the Certificate of Insurance. Any self-insured retention (SIR) in an amount in excess of Fifty Thousand Dollars (\$50,000) shall specifically be approved by the County's Risk Manager, or designee, upon review of Contractor's current audited financial report. If Contractor's SIR is approved, Contractor, in addition to, and without limitation of, any other indemnity provision(s) in this Contract, agrees to all of the following:

- 1) In addition to the duty to indemnify and hold the County harmless against any and all liability, claim, demand or suit resulting from Contractor's, its agent's, employee's or subcontractor's performance of this Contract, Contractor shall defend the County at its sole cost and expense with counsel approved by Board of Supervisors against same; and
- 2) Contractor's duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and
- 3) The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the Contractor's SIR provision shall be interpreted as though the Contractor was an insurer and the County was the insured.

If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**). It is preferred, but not mandatory, that the insurer be licensed to do business in the state of California (California Admitted Carrier).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 per occurrence
Workers Compensation	Statutory
Employers Liability Insurance	\$1,000,000 per occurrence
Technology Errors and Omissions	\$1,000,000 per claims made \$1,000,000 aggregate

Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange its elected and appointed officials, officers, agents and employees* as Additional Insureds, or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT**.
- 2) A primary non-contributing endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary and any insurance or self-insurance maintained by the County of Orange shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents and employees* or provide blanket coverage, which will state **AS REQUIRED BY WRITTEN CONTRACT**.

All insurance policies required by this Contract shall waive all rights of subrogation against the County of Orange, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

Contractor shall notify County in writing within thirty (30) days of any policy cancellation and ten (10) days for non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

If Contractor's Technology Errors & Omissions is a "Claims Made" policy, Contractor shall agree to maintain coverage for two (2) years following the completion of the Contract.

The Commercial General Liability policy shall contain a severability of interest's clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven (7) days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable Certificates of Insurance and endorsements with County incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

P. Changes: Contractor shall make no changes in the work or perform any additional work without the Deputy Purchasing Agent's specific written approval.

Q. Change of Ownership/Name, Litigation Status, Conflicts with County Interests: Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and the County agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract, and complete them to the satisfaction of the County.

County reserves the right to immediately terminate the Contract in the event the County determines that the assignee is not qualified or is otherwise unacceptable to the County for the provision of services under the Contract.

In addition, Contractor has the duty to notify the County in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the County in writing if the Contractor becomes a party to any litigation against the County, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor

and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from the County any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the County of its status in these areas whenever requested by the County.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

- R. **Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
- S. **Confidentiality:** Both parties agree to maintain the confidentiality of all other party's-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by the other party and party's staff, agents and employees.
- T. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "Z" below, Contractor agrees that it shall defend, indemnify and hold County and County Indemnitees harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.
- U. **Freight:** Prior to the County's express acceptance of delivery of products. Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.
- V. **Severability:** If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- W. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, each Party shall bear their own attorney's fees, costs and expenses.
- X. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each Party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the

opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other Party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the Party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the Parties and this Contract.

- Y. **Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.
- Z. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. [Notwithstanding the foregoing County acknowledges and agrees acknowledges and agrees that it is the final responsible party with respect to the handling, storing, dispensing, packaging and administering medications and supplies to patients or other third parties through or related to the use of the Contractor Product\(s\).](#) If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.
- AA. **Audits/Inspections:** Contractor agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract [by providing a five \(5\) business days notification in advance.](#) The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The County will provide reasonable notice of such an audit or inspection.

The County reserves the right to audit and verify the Contractor's records before final payment is made.

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by

law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to the County to audit records and interview staff of any subcontractor related to performance of this Contract.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this agreement shall be forwarded to the County's project manager.

- BB. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the State of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.
- CC. **Expenditure Limit:** The Contractor shall notify the County of Orange assigned Deputy Purchasing Agent in writing when the expenditures against the Contract reach 75 percent of the dollar limit on the Contract. The County shall not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on the Contract unless a change order to cover those costs has been issued.

Additional Terms and Conditions

1. **Scope of Contract:** This Contract specifies the contractual terms and conditions by which the County shall receive Fastpack Consumables and Maintenance Services from Contractor as further detailed in the Scope of Work, identified and incorporated herein by this reference as "Attachment A".
2. **Term of Contract:** This Contract shall commence on ~~July 1, 2020 through and including June 30, 2021, renewable for three (3) additional one year periods upon agreement of both Parties.~~ ~~July 1, 2022 through and including June 30, 2025, Non-renewable~~ The County does not have to give reason if it decides not to renew. Contract shall be in effect for the time periods specified, unless this Contract is earlier terminated by the Parties.
3. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:
 - a) Terminate the Contract immediately, pursuant to Section K herein;
 - b) Afford the Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;
 - c) Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and
4. **Civil Rights:** Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the

Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.

5. **Conflict of Interest – Contractor’s Personnel:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the County. This obligation shall apply to the Contractor; the Contractor’s employees, agents, and subcontractors associated with accomplishing work and services hereunder. The Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers from acting in the best interests of the County.
6. **Conflict of Interest – County Personnel:** The County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. The Contractor shall not, during the period of this Contract, employ any County employee for any purpose.
7. **Contractor’s Project Manager and Key Personnel:** Contractor shall appoint a Project Manager to direct the Contractor’s efforts in fulfilling Contractor’s obligations under this Contract. This Project Manager shall be subject to approval by the County and shall not be changed without the written consent of the County’s Project Manager, which consent shall not be unreasonably withheld.

The Contractor’s Project Manager shall be assigned to this project for the duration of the Contract and shall diligently pursue all work and services to meet the project time lines. The County’s Project Manager shall have the right to require the removal and replacement of the Contractor’s Project Manager from providing services to the County under this Contract. The County’s Project manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within five (5) business days after written notice by the County’s Project Manager. The County’s Project Manager shall review and approve the appointment of the replacement for the Contractor’s Project Manager. The County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor’s Project Manager from providing further services under the Contract.

8. **Contractor’s Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally accepted accounting principles. These records shall be stored in Orange County for a period of three (3) years after final payment is received from the County. Storage of records in another county will require written approval from the County of Orange assigned Deputy Purchasing Agent.
9. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the County. The County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the County are expressly stated in the Contract.

10. **Data – Title To:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the County. All materials, documents, data or information, including copies, must be returned to the County at the end of this Contract.
11. **Default – Reprocurement Costs:** In case of Contract breach by Contractor, resulting in termination by the County, the County may procure the goods and/or services from other sources. The price paid by the County shall be the prevailing market price at the time such purchase is made. This is in addition to any other remedies available under this Contract and under law.
12. **Disputes – Contract:**
- A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor’s Project Manager and the County’s Project Manager, such matter shall be brought to the attention of the County Deputy Purchasing Agent by way of the following process:
1. The Contractor shall submit to the agency/department assigned Deputy Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
 2. The Contractor’s written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.
- B. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of goods and/or provision of services. The Contractor’s failure to diligently proceed shall be considered a material breach of this Contract.
- Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County Deputy Purchasing Agent or his designee. If the County fails to render a decision within 90 days after receipt of the Contractor’s demand, it shall be deemed a final decision adverse to the Contractor’s contentions. Nothing in this section shall be construed as affecting the [either party’s](#) right to terminate the Contract for cause or termination for convenience as stated in section K herein.
13. **Drug-Free Workplace:** The Contractor hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The Contractor will:
1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a)(1).

2. Establish a drug-free awareness program as required by Government Code Section 8355(a)(2) to inform employees about all of the following:
 - a. The dangers of drug abuse in the workplace;
 - b. The organization's policy of maintaining a drug-free workplace;
 - c. Any available counseling, rehabilitation and employee assistance programs; and
 - d. Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by Government Code Section 8355(a)(3) that every employee who works under this Contract:
 - a. Will receive a copy of the company's drug-free policy statement; and
 - b. Will agree to abide by the terms of the company's statement as a condition of employment under this Contract.

Failure to comply with these requirements may result in suspension of payments under the Contract or termination of the Contract or both, and the Contractor may be ineligible for award of any future County contracts if the County determines that any of the following has occurred:

1. The Contractor has made false certification, or
 2. The Contractor violates the certification by failing to carry out the requirements as noted above.
14. **EDD Independent Contractor Reporting Requirements:** Effective January 1, 2001, the County of Orange is required to file in accordance with subdivision (a) of Section 6041A of the Internal Revenue Code for services received from a "service provider" to whom the County pays \$600 or more or with whom the County enters into a contract for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term "service provider" is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as "an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state." The term is further defined by the California Employment Development Department to refer specifically to independent Contractors. An independent Contractor is defined as "an individual who is not an employee of the government entity for California purposes and who receives compensation or executes a contract for services performed for that government entity either in or outside of California."

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at http://www.edd.ca.gov/Employer_Services.htm

15. **Emergency/Declared Disaster Requirements:** In the event of an emergency or if Orange County is declared a disaster area by the County, state or federal government, this Contract may be subjected to unusual usage. The Contractor shall service the County during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by the Contractor shall apply to serving the County's needs regardless of the circumstances. If the Contractor is unable to supply the goods/services under the terms of the Contract, then the Contractor shall provide proof of such disruption and a copy of the invoice for the goods/services from the Contractor's supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from the Contractor shall show both the emergency purchase order number and the Contract number.
16. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as project manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by the Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.
17. **Equal Employment Opportunity:** The Contractor shall comply with U.S. Executive Order 11246 entitled, "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41 CFR, Part 60) and applicable State of California regulations as may now exist or be amended in the future. The Contractor shall not discriminate against any employee or applicant for employment on the basis of race, color, national origin, ancestry, religion, sex, marital status, political affiliation or physical or mental condition.

Regarding handicapped persons, the Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to provide equal opportunity to handicapped persons in employment or in advancement in employment or otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicaps in all employment practices such as the following: employment, upgrading, promotions, transfers, recruitments, advertising, layoffs, terminations, rate of pay or other forms of compensation, and selection for training, including apprenticeship. The Contractor agrees to comply with the provisions of Sections 503 and 504 of the Rehabilitation Act of 1973, as amended, pertaining to prohibition of discrimination against qualified handicapped persons in all programs and/or activities as detailed in regulations signed by the Secretary of the Department of Health and Human Services effective June 3, 1977, and found in the Federal Register, Volume 42, No. 68 dated May 4, 1977, as may now exist or be amended in the future.

Regarding Americans with disabilities, Contractor agrees to comply with applicable provisions of Title 1 of the Americans with Disabilities Act enacted in 1990 as may now exist or be amended in the future.

18. **News/Information Release:** The Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the County through the County's Project Manager.
19. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned Deputy Purchasing Agent (DPA), except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate Party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

For Contractor:	Name:	Targa Parent Holding, LLC Dba Parata System, LLC
	Address:	106 Roche Drive Durham, NC 27703-0359
	Attn:	Director of Legal Affairs
	Phone:	919-433-4737
	E-mail:	ajanssen@parata.com
For County:	Name:	County of Orange Health Care Agency/Procurement and Contract Services
	Address:	200 W. Santa Ana Blvd., Suite #650 Santa Ana, CA 92701
	Attn:	Roland Tabangin
	Title:	Deputy Purchasing Agent
	Phone:	(714) 834-3151
	Fax:	(714) 834-2657
	E-mail:	rtabangin@ochca.com
CC:	Name:	County of Orange HCA/CMS Main Jail
	Address:	550 N Flower St. Santa Ana CA 92703-2361
	Attn:	Erenia Perry
	Phone:	(714) 647-4155
	E-mail:	eperry@ochca.com

20. **Precedence:** The Contract documents consist of this Contract and its Attachment and Exhibits. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, the Attachments, and then the Exhibits.

21. **Termination – Orderly:** After receipt of a termination notice from the County of Orange, the Contractor may submit to the County a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than 60 days from the effective date of the termination, unless one or more extensions in writing are granted by the County upon written request of the Contractor. Upon termination County agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each party shall promptly return to the other party all papers, materials, and other properties of the other held by each for purposes of performance of the Contract.
22. **Usage:** No guarantee is given by the County to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximations. The Contractor agrees to supply services and/or commodities requested, as needed by the County of Orange, at rates/prices listed in the Contract, regardless of quantity requested.
23. **Contractor Screening:** Throughout the term of this Contract, Contractor shall not be listed on any state or federal exclusionary rosters, listed below. County may screen Contractor on a monthly basis to ensure Contractor is not listed on the exclusionary rosters, listed below. If Contractor or its employee(s) are found to be included on any of the rosters indicated below, Contractor shall be deemed in default of its obligation under this Paragraph and shall constitute a cause for County to exercise its right to terminate this Contract immediately. County, in its sole discretion, may afford Contractor an opportunity to cure said default within a reasonable time.
- a. United States Department of Health and Human Services, Office of Inspector General (OIG) List of Excluded Individuals & Entities (LEIE) (<http://exclusions.oig.hhs.gov>).
 - b. General Services Administration (GSA) System for Award Management (SAM) Excluded Parties List (<http://sam.gov>).
 - c. State of California Department of Health Care Services Medi-Cal Suspended and Ineligible Provider List (County Health Care Agency Internal Database).
24. **Debarment:** To the extent applicable, Contractor shall certify in writing that neither Contractor nor its employee(s) are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in a contractual transaction by any state or federal department or agency. Where Contractor is unable to certify to any of the statements in the written certification, Contractor must include a written explanation thereon for the County to consider. County shall have the right to refuse to enter into this Contract with the Contractor, or terminate this Contract if already entered into, if Contractor either fails to certify or certifies that it is subject of any debarment, pending debarment, declared ineligibility or voluntary exclusion from participation by any state or federal department or agency.
25. **Lobbying:** On the best information and belief, Contractor certifies no federal appropriated funds have been paid or will be paid by, or on behalf of, the Contractor to any person influencing or attempting to influence an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative contract.
26. **California Public Records Act:** Contractor and County agree and acknowledge that all information and documents related to the award and performance of this Contract are subject to

disclosure pursuant to the California Public Records Act, California Government Code Section 6250 et seq.

27. **Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the County with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the County shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the County in procuring on the open market any goods or services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the County provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

28. **Security – Youth Detention Facilities/Sheriff’s Facilities**

Background checks:

All Contractor personnel to be employed in performance of work under this Contract shall be subject to background checks and clearance prior to working in a youth detention facility or a Sheriff’s facility. The Contractor shall prepare and submit an information form to the County’s project manager for all persons who will be working or who will need access to the facility. These information forms shall be submitted at least five County working days prior to the start of work on the Contract or prior to the use of any person subsequent to the contractor’s start of work. These information forms will be provided by the County’s project manager upon request and will be screened by the County’s Probation Department and/or Sheriff’s Department. These information forms shall be thorough, accurate, and complete. Omissions or false statements, regardless of the nature or magnitude, may be grounds for denying clearance. No person shall be employed under this Contract who has not received prior clearance from the Probation and/or Sheriff’s Department. Neither the County, the Probation Department, nor the Sheriff’s Department need give a reason clearance is denied.

Performance Requirements:

All Contractor’s vehicles parked on site shall be locked and thoroughly secured at all times. All tools and materials shall remain in contractor’s possession at all times and shall never be left unattended. All lost or misplaced tools or materials shall be reported immediately to the security staff or Control in youth detention facilities or to the escort or Control in the Sheriff’s facilities. All materials, large or small, from removal operations or flew construction (especially those materials that could be used to inflict injury, such as nails, wire, wood, etc.) shall be continuously cleaned up as work progresses. All work areas shall be secured prior to the end of each work period. Workers shall have no contact, either verbal or physical, with inmates in the facilities.

Contractor’s employees shall NOT:

1. Give names or addresses to inmates;
2. Receive any names or addresses from inmates (including materials to be passed to another individual or inmate);
3. Disclose the identity of any inmate to anyone outside the facility;
4. Give any materials to inmates; or
5. Receive any materials from inmates (including materials to be passed to another individual or inmate).

Failure to comply with these requirements is a criminal act and can result in prosecution.

Contractor's employees shall not smoke or use profanity or other inappropriate language while on site. Contractor's employees shall not enter the facility while under the influence of alcohol, drugs or other intoxicants and shall not have such materials in their possession. Contractor's employees shall plan their activities to minimize the number of times they must enter and exit a facility. They should transport all tools, equipment and materials needed for the day at the start of the work period and restrict all breaks to the absolute minimum.

Contractor's personnel shall:

1. Comply with the written schedule provided by the County which shall clearly show the specific start and end times for each work day;
2. Arrive at the site no more than 15 minutes prior to the scheduled time or no more than 15 minutes after the scheduled time; and
3. Report to the control desk upon arrival at the job site.

Control will ensure that the work area is clear and ready for work to begin. If a Contractor's employee is delayed or cancellation is necessary, the designated on-site coordinator or the County's project manager should be contacted immediately. Repeat problems will be grounds for remedial action which may include Contract termination.

29. **Software – Protection:** County agrees that all material appropriately marked or identified as proprietary, whether oral or written, and furnished hereunder are provided for County's exclusive use for the purposes of this Contract only and shall be held in confidence. All proprietary data shall remain the property of Contractor. County agrees to take all reasonable steps to ensure that such data are not disclosed to others without prior written consent of Contractor. County shall ensure, prior to disposing of any media, that any licensed materials contained thereon have been erased or otherwise destroyed. County agrees that it shall take appropriate action by instruction, agreement or otherwise with its employees or other persons permitted access to licensed programs and/or optional materials to satisfy its obligations under this Contract with respect to use, copying, modification and protection and security of licensed programs and optional materials.
30. **Software – Maintenance:** The correction of any residual errors in any software products which may be discovered by Contractor or by County shall be considered maintenance. Such maintenance shall be performed by Contractor without additional charge for the duration of this Contract. Suspected errors discovered by County in the software products shall be handled by the following procedure:
 - a. A listing of the output and a copy of the evidential input data in machine-readable format shall be submitted to Contractor along with a completed copy of the appropriate Contractor information form and, if appropriate, a listing of the contents of the memory of the CPU at the time the error was noted.
 - b. Errors in the software product as verified by Contractor shall be corrected by providing a new copy of said software product or a new copy of the affected portions in machine-readable format.

Contractor shall be available to assist County in isolating and correcting error conditions caused by County's particular hardware or operating system at rates specified in this Contract. If Contractor

is called upon by the state to correct an error caused by County's negligence, modification by County, County-supplied data, or machine or operator failure or due to any other cause not inherent in the original software products, Contractor reserves the right to charge County for such service on a time and material basis at rates in accordance with the Contract.

31. **Software License:** Contractor hereby grants to County of Orange and County accepts from Contractor, subject to the terms and conditions of this Contract, a non-exclusive, non-transferable license to use the software products list in this Contract, hereinafter referred to as "software products." The license granted above authorizes County to use the software products in machine-readable form on a single computer system, designated in writing by County to Contractor, provided that if the designated CPU is inoperative due to malfunction, license herein granted shall be temporarily extended to authorize County to use the software products in machine-readable form on any other County CPU until the designated CPU is returned to operation. By prior written notice to Contractor, County may re-designate the CPU in which the software products are to be used and must do so if the re-designation is permanent.

When encryption/CPU ID authorization codes are required to operate the software products, Contractor shall provide all codes to County with shipment of the software. In the case of an inoperative CPU, as defined above, Contractor shall provide a temporary encryption/CPU ID authorization code to County for use on a temporarily authorized CPU until the designated CPU is returned to operation. When changes in designated CPUs occur, Contractor shall issue to County within twenty four (24) hours of notification a temporary encryption/ID authorization code for use on the newly designated CPU until such time a permanent code is assigned.

32. **Software Installation:** The installation date for the software products shall be established in accordance with the provisions below:
- a. If County elects to install the software products, County shall have thirty (30) days from the date of receipt of the software products to initially install and evaluate the software. The date of expiration of this period shall hereafter be known as the "installation date." Contractor shall be responsible for providing criteria and test data necessary to check out the software products.
 - b. If installation by Contractor is required by County, Contractor shall have up to thirty (30) days from the effective date of this Contract to provide initial installation and evaluation of the software products on County's designated CPU. Contractor shall issue written notice of the fact that the software products are operational, and the date of said notice shall be known as the "installation date." It shall be at Contractor's discretion to determine the criteria and tests necessary to allow Contractor to issue a notice to the effect that the system is operational.

County agrees to provide such access to its computer system as may be required by Contractor to properly install and test the software products. County further agrees to provide, at no cost to Contractor, systems and production support as may be required by Contractor during installation.

If installation by Contractor is required by County, Contractor shall provide such installation on County's equipment at the rates specified in this Contract.

33. **Software – Acceptance Testing:** Acceptance testing may be required as specified for all Contractor-supplied software as specified and listed in the Contract or order, including all software initially installed. Included in this clause are improved versions, including new releases, of this software, any such software which has been modified by Contractor to satisfy County requirements, and any substitute software provided by Contractor in lieu thereof, unless the

Contract or order provides otherwise. The purpose of the acceptance test is to ensure that the software operates in substantial accord with Contractor's technical specifications and meets County's performance specifications.

34. **Software – Documentation:** Contractor agrees to provide to County, County-designated number of all manuals and other associated printed materials and updated versions thereof, which are necessary or useful to County in its use of the equipment or software provided hereunder. County shall designate the number of copies for production use and the number of copies for disaster recovery purposes and shall provide this information to Contractor.

If additional copies of such documentation are required, Contractor shall provide such manuals at the request of County. The requesting agency/department shall be billed for the manuals and any associated costs thereto by invoice. Contractor agrees to provide such additional manuals at prices not in excess of charges made by Contractor to its best customers for similar publications.

Contractor further agrees that County may reproduce such manuals for its own use in maintaining the equipment or software provided hereunder. County agrees to include Contractor's copyright notice on any such documentation reproduced in accordance with copyright instructions to be provided by Contractor.

35. **Software – Future Releases:** If improvement, upgraded, or enhancement versions of any software product under this Contract are developed by Contractor and are made available to other licensees, they shall be made available to County at County's option, provided such versions are operable on the same computer hardware configuration.

36. **Compliance with County Information Technology Policies and Procedures:**

Policies and Procedures

Contractor, its subcontractors, Contractor personnel, and all other agents and representatives of Contractor, shall at all times comply with and abide by all Information Technology (IT) policies and procedures of County that are provided or made available to Contractor that pertain to Contractor (and of which Contractor has been provided with advance notice) in connection with Contractor's performance under this Contract. Contractor shall cooperate with County in ensuring Contractor's compliance with the IT policies and procedures described in this Contract and as adopted by County from time-to-time, and any material violations or disregard of such IT policies or procedures shall, in addition to all other available rights and remedies of County, be cause for termination of this Contract. In addition to the foregoing, Contractor shall comply with the following:

Security and Policies

All performance under this Contract shall be in accordance with County's security requirements, policies, and procedures as set forth above and as modified, supplemented, or replaced by County from time to time, in its sole discretion, by providing Contractor with a written copy of such revised requirements, policies, or procedures reasonably in advance of the date that they are to be implemented and effective (collectively, the "Security Policies"). Contractor shall at all times use industry best practices and methods, and all applicable HIPAA privacy and security regulations with regard to the prevention, detection, and elimination, by all appropriate means, of fraud, abuse,

and other inappropriate or unauthorized access to County systems accessed in the performance of services in this Contract.

Information Access

County may require all Contractor personnel performing services under this Contract to execute a confidentiality and non-disclosure agreement and concerning access protection and data security in the form provided by County. County shall authorize, and Contractor shall issue, any necessary information-access mechanisms, including access IDs and passwords, and Contractor shall take all commercially reasonable measures that comply with HIPAA security and privacy regulations to secure such mechanisms. Contractor shall provide each Contractor personnel with only such level of access as is required for such individual to perform his or her assigned tasks and functions. All County systems, and all data and software contained therein, including County data, County hardware and County software, used or accessed by Contractor: (a) shall be used and accessed by such Contractor solely and exclusively in the performance of their assigned duties in connection with, and in furtherance of, the performance of Contractor's obligations hereunder; and (b) shall not be used or accessed except as expressly permitted hereunder, or commercially exploited in any manner whatsoever, by Contractor, at any time.

Enhanced Security Procedures

County may, in its discretion, designate certain areas, facilities, or systems as requiring a higher level of security and access control. County shall notify Contractor in writing reasonably in advance of any such designation becoming effective. Any such notice shall set forth in reasonable detail the enhanced security or access-control procedures, measures, or requirements that Contractor shall be required to implement and enforce, as well as the date on which such procedures and measures shall take effect. Contractor shall fully comply with and abide by all such enhanced security and access measures and procedures as of such date.

Breach of Security

Any breach or violation by Contractor of any of the foregoing shall be deemed a material breach of a material obligation of Contractor under this Contract and may be deemed an incurable and material breach of a material obligation of Contractor under this Contract resulting in termination.

Conduct on County Premises

Contractor shall, at all times, comply with and abide by all reasonable policies and procedures of County (or that may be established thereby, from time to time) that pertain to conduct on County's premises, possession or distribution of contraband, or the access to, and security of, the Party's real property or facilities, to the extent that Contractor has been provided with a copy of each such policy or procedure. Contractor shall exercise due care and diligence to prevent any injury to persons or damage to property while on the other Party's premises. The operation of vehicles by either Party's personnel on the other Party's property shall conform to posted and other applicable regulations and safe-driving practices. Vehicular accidents occurring on a Party's property and involving either Party's personnel shall be reported promptly to the appropriate Party's personnel. Each Party covenants that at all times during the Term, it, and its employees, agents, and subcontractors shall comply with, and take no action that results in the other Party being in violation

of, any applicable federal, state, and local laws, ordinances, regulations, and rules. Each Party's personnel shall clearly identify themselves as the appropriate Party's personnel and not as employees of the other Party. When on the other Party's premises, each Party's personnel shall wear and clearly display identification badges or tags, as approved by the other Party.

Security Audits

Each Contract year, County may perform or have performed security reviews and testing. Such reviews and testing shall ensure compliance with all pertinent County security standards as well as any HCA/Environmental Health requirements such as federal tax requirements or HIPAA.

(SIGNATURE PAGE FOLLOWS)

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Contract No. MA-042-20011446 the date set forth opposite their signatures. If the company is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, President, or any Vice President; 2) the second signature must be that of the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

Contractor: Targa Parent Holding, LLC DBA Parata System, LLC

_____	_____
Print Name	Title
_____	_____
Signature	Date
_____	_____
Print Name	Title
_____	_____
Signature	Date

County of Orange, a political subdivision of the State of California
Purchasing Agent/Designee Authorized Signature:

_____	_____
Print Name	Title
_____	_____
Signature	Date

ATTACHMENT A**SCOPE OF WORK**

Contractor shall provide the following:

1. Provision of no-cost updates to the Contractor's Original Equipment Manufacturer (O.E.M.) Software, and installation services to install the OEM Updates, if determined necessary by Contractor, at no additional charge. Contractor will not provide updates to non-OEM software provided by a third-party organization.
2. Contractor will use commercially reasonable efforts to repair any errors or defects in the Contractor Product so that it performs in all material respects in accordance with its Functional Specifications, at no additional charge to County (including parts, labor, and travel, living and shipping expenses).
3. The Call Center will provide live technical support and troubleshooting and will initiate field dispatches. Any call received relating to a malfunctioning or inoperative Contractor Product shall be handled first through live telephone support/troubleshooting from the Call Center, which shall attempt to determine the cause of any operational issues and resolve any such issues with store personnel by telephone within four (4) pharmacy hours (i.e., hours of normal business operation for the pharmacy). If the Call Center cannot resolve the issue within four (4) pharmacy hours (provided that any troubleshooting processes initiated within four (4) pharmacy hours has been completed) or if the Call Center determines the issue cannot be resolved through telephone or remote support, the Call Center will initiate a field dispatch.
4. Notwithstanding the above procedures, County may request an immediate field dispatch at any time by agreeing to pay Additional Service Fees.
5. All support requests that require a field dispatch will be categorized as either a "Red Call" or a "Blue Call." Generally speaking, a "Red Call" indicates a more serious malfunction—typically that the Contractor Product is down. A "Blue Call" indicates a less serious malfunction, where the Contractor Product is still functional in a limited capacity. Field technicians will be on site within twenty-four (24) hours of a Red Call and within forty eight (48) hours of a Blue Call, excluding Contractor holidays. Field dispatches will take place only within the on-site coverage hours (8:00 a.m. through 9:00 p.m., local time, seven (7) days per week excluding Contractor holidays), and no field technicians will be dispatched after 6:00 p.m. unless the dispatch is a demand field dispatch for which County is responsible for Additional Service Fees.
6. Contractor will provide a minimum of three (3) preventative maintenance service visit per year as warranted by pharmacy volume and product usage (including parts, if needed). Shall have the right to combine the preventative maintenance service visit with another onsite service visit at Customer's Facility for any other reason. Preventative maintenance service visits shall occur not less than four (4) months from the date of the prior preventative maintenance service visit.
7. Contractor will provide training services upon County request and agreement to pay Additional Service Fees for such training.
8. Supplies and Consumables are not provided as part of Maintenance Services and must be purchased and maintained on hand at the Facility by County.

Parata Technical Assistance Center (PTAC) Hours	8am – 11pm EST, 7 days per week
Field Service Engineer (FSE) Dispatch Hours	8am – 6pm EST, 7days per week
Hours of Delivery, Installation and Training (DIT)	8am – 6pm EST, Monday through Friday (excluding Parata observed holidays)
FSE On-Site Response – Red Call	Within 24 Hours of dispatch by PTAC
FSE On-Site Response – Blue Call	Within 48 Hours of dispatch by PTAC
Preventive Maintenance (“PM”)	Based on dispensing volume, not to exceed 3 PM’s per year scheduled by Parata.
Repair Parts	Included
Repair Labor	Included
Software Updates	Included
PTAC Call Resolution Time	4 Hours from initial Customer call
Initial Operator Training	2 Days, in conjunction with DIT

ADDITIONAL SERVICES UPON REQUEST

In addition to the Maintenance Services described above, County shall perform the following additional Maintenance Services upon Customer request:

1. Field Dispatch Demand. Upon County request and agreement to pay the Additional Service Fees described below, the Call Center shall immediately initiate a field dispatch to the County store site, in lieu of the live telephone support/troubleshooting procedure described above.
2. Training Services. Upon County request and agreement to pay the Additional Service Fees described below, Contractor shall arrange for the provision of training to County personnel on dates and times mutually agreed upon by Parties.
3. County Features/Reporting Requests. This would include any Software upgrades or updates required as the result of the County’s environment changing (new host, new bag design, etc.)

The following items are generally available to the County in exchange for the payment of Additional Service Fees (please call for further details):

FSE On-Demand*	Upon availability
Software Upgrades	Fee based
Additional Operator Training	Daily Rate
Additional PM at Customer Request	Per PM
After Hours Preventive Maintenance	Monday – Friday after 6pm EST
Saturday Preventive Maintenance	Saturday, 8am – 6pm EST
Sunday Preventive Maintenance	Sunday, 8am – 6pm EST
After Hours FSE Service & Training	Monday – Friday after 6pm EST
Saturday FSE Service & Training	Saturday, 8am – 6pm EST
Sunday FSE Service	Sunday, 8am – 6pm EST
After Hours DIT	Monday – Friday after 6pm EST
Saturday DIT	Saturday, 8am – 6pm EST
Sunday DIT	Sunday, 8am – 6pm EST
Host Interface Support - PTAC	Monday – Friday, 8am – 11pm EST

* County wishes to by-pass PTAC 4-hour opportunity to resolve the issue over the phone and have FSE dispatched. FSE must be available to meet the response request.

ADDITIONAL SERVICE FEES

Additional Service Fees, as set forth below (the “*Additional Service Fees*”) shall be separately invoiced by Contractor to the County on a monthly basis and shall no event be deemed to be included in annual Maintenance Service fees. Payment of the entire balance of each additional service fee invoice shall be due and owing thirty (30) days from the invoice date. Invoice balances not paid in full by the applicable due date may be subject to late fees and interest, in accordance with Contractor’s then-current billing policies. County expressly acknowledges and agrees that Contractor may, in its sole discretion, refuse to provide services outside the scope of Maintenance Services described above.

1. In General. All Additional Service Fees incurred by County shall accrue at the then-current hourly or per-call rate established by Contractor from time to time, plus the cost of travel and parts as may be required. NOTE: The minimum Additional Service Fee for a field dispatch demand shall be \$600, plus the cost of travel expenses of field technicians and parts, as may be required.
2. Services Covered. Additional service fees shall be incurred for exclusions from Contractor’s maintenance obligations (whether during the Warranty Period or the Support Term) as described above or elsewhere, including Maintenance Services Exclusions, as well as Field Dispatch Demands and Training Services as described above.

MAINTENANCE EXCLUSIONS

Maintenance Services do not include services required as a result of (a) Customer’s fault (including, without limitation, failure to comply with the Contract, information the documentation, operator error, the negligence of County, or the misuse of the Contractor Product); (b) the fault of any third party equipment or third party software; (c) the use of the Contractor Product with any unapproved third party hardware or software; (d) the result of any external factors not caused by Contractor, including, but not limited to, theft, arson, an act of god, or an act or omission by any third party, (e) moving or relocating the Contractor Product by anyone other than a Contractor certified technician (unless otherwise agreed by Contractor), (f) any change or modification of the Contractor Product or component thereof made by County or another party not authorized by Contractor in writing; (g) a demand field dispatch or training services; (h) County’s use of the Contractor Product in a manner outside of the authorized scope of use; (i) the installation of any Contractor Product Update or Upgrade; (j) the third party vendor responsible for providing the Contractor Product and its components to Contractor ceases to support the third party equipment components of the Contractor Product, (k) water or liquid/spill based damage to any Parata/Parata Product, or (l) the use of the Contractor Products with any Hazardous Drugs (each, a “Maintenance Services Exclusion”). For purposes of these terms and conditions, "Hazardous Drugs" shall mean any pharmaceutical or drug with high levels of toxicity, any pharmaceutical or drug which poses an occupational health risk to parties handling or working with the pharmaceutical or drug, or any drug that should be handled in accordance with an established safety program. To the extent any liquid/spill damages the Contractor Product, County covenants and agrees with Contractor that County will promptly notify Contractor in writing regarding such damage, and acknowledges and agrees that in such instance, (1) the Contractor Product shall be considered a “total loss”, (2) Contractor shall have no further liability with respect to such Contractor Product (whether under a maintenance plan or otherwise), and (3) County, in County’s discretion, shall elect to replace or refurbish such damaged Contractor Product.

PARTS

Replacement parts may be new or reconditioned to perform as new. Parts removed from a Contractor Product and replaced without charge become the property of Contractor.

ATTACHMENT B**COMPENSATION AND PAYMENT TERMS****1. Compensation**

This is a fixed price Contract not to exceed the amount of \$150,000 for the Term of Contract.

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work.

2. Fees and Charges: County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

Term: ~~7/1/2020~~ ~~6/30/2021~~

Service Maintenance Fee			
Equipment Code	Equipment Description	Serial No.	Annual Rate
EXp-Upg	Exp to ATP Upgrade	34.09100107	\$16,800
LPU	Addit. Lower Packing Unit	19110877	\$1,785
Total Amount Per Annual			\$18,585
Consumables Pricing			
Item #	Description	Price	
624-199-2425	Cutter Blades 6 Pack	\$28.14	
624-220-0789	Perforation Blade Wide	\$298.50	
CP-2002	ATP Canister Labels 100 Per Pack, 6 Sets Per Sheet	\$59.00	
TK-60SMT	TK 60SMT ATP Legacy Smart Canister	\$98.50	
TK-60	350 CC Canister and Recalibrations for ATP	\$98.50	
ACC-100	Desiccant Indicating Gel 100/Can	\$22.00	
ATP-PW2	ATP Wide Packaging Paper 6 Rolls Per Case	\$320.25	
ATP-R65WR	ATP Wide Ribbon 6 Rolls Per Case	\$162.75	
CP1026	One Smart Canister Barcode Label	\$2.50	
Miscellaneous related services and consumables products are authorized to be purchased under this Contract upon approval of the County's Project Manager or Designee.			

3. Price Increase/Decreases: No price increases will be permitted during the first annual period of the Contract. The County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 30 days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to the County of Orange. The County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing the Contractor's profit will not be allowed.

- ~~4. **Firm Discount and Pricing Structure:** Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope and volume. Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.~~
- ~~5. **Contractor's Expense:** The Contractor will be responsible for all costs related to photo copying, telephone communications and fax communications while on County sites during the performance of work and services under this Contract.~~
- ~~6. **Payment Terms:** Invoices for Service Maintenance Fee are to be submitted annually in advance and Invoices for Consumables are to be submitted net 30 days as specified in Attachment B Compensation and Payment Terms to the user agency/department to the ship-to address, unless otherwise directed in this Contract. Contractor shall reference Contract number on invoice and invoice must be in a format acceptable to the County of Orange and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.~~
- ~~Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements. Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.~~
- ~~7. **Taxpayer ID Number:** The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.~~
- ~~8. **Payment Invoicing Instructions:** The Contractor will provide an invoice on the Contractor's letterhead for goods delivered and/or services rendered. In the case of goods, the Contractor will leave an invoice with each delivery. Each invoice will have a number and will include the following information:~~

- ~~a. Contractor's name and address~~
- ~~b. Contractor's remittance address~~
- ~~c. Contractor's Taxpayer ID Number~~
- ~~d. Name of County Agency/Department~~
- ~~e. Delivery/service address~~
- ~~f. Master Agreement (MA) or Purchase Order (PO) number~~
- ~~g. Agency/Department's Account Number, if applicable~~
- ~~h. Date of invoice~~
- ~~i. Product/service description, quantity, and prices~~
- ~~j. Sales tax, if applicable~~
- ~~k. Freight/delivery charges, if applicable~~
- ~~l. Total~~

~~The responsibility for providing acceptable invoices to County for payment rests with Contractor. Incomplete or incorrect invoices are not acceptable and shall be returned to Contractor.~~

~~Invoice and support documentation are to be forwarded to:~~

~~Orange County Health Care Agency
Accounts Payable~~

PO Box 689
Santa Ana, CA 92702

~~9. Payment (Electronic Funds Transfer)~~

~~County offers Contractor the option of receiving payment directly to its bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT shall also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address shall need to be provided to County via an EFT Authorization Form. Contractor may request a form from the agency/department representative listed in the Contract.~~

ATTACHMENT B-2

REVISED COMPENSATION AND PAYMENT TERMS

1. **Compensation:**

This is a fixed price Contract with an amount not to exceed \$500,000 for the term July 1, 2022, through June 30, 2025.

Contractor agrees to accept the specified compensation as set forth in this Contract as full payment, all-inclusive cost for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by Contractor of all its duties and obligations hereunder. Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work.

2. **Fees and Charges:** County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

Annual Maintenance:

Coverage Period	Description	Part #	Qty	Annual Fee
7/1/2022 – 6/30/2023	ATP-320 wide S/N 20090345	M-ATP>192	1	\$15,095
	Additional ATP LPU	M-ATP-LPU	1	\$1,820
Total				\$16,915
7/1/2023 – 6/30/2024	ATP-320 wide S/N 20090345	M-ATP>192	1	\$15,550
	Additional ATP LPU	M-ATP-LPU	1	\$1,875
Total				\$17,425
7/1/2024 – 6/30/2025	ATP-320 wide S/N 20090345	M-ATP>192	1	\$16,015
	Additional ATP LPU	M-ATP-LPU	1	\$1,930
Total				\$17,945

Consumables: Coverage Period 7/1/2022 – 6/30/2023

Item #	Description	Price
624-199-2425	Cutter Blades 6 Pack	\$28.50
624-220-0789	Perforation Blade – Wide	\$298.50

TK-60S	Canister, Regular Size	\$98.50
ACC-100	Desiccant indicating gel, 100/can	\$20.67
ATP-PW2	AdherePac Wide Plastic Paper, white, 6 rolls	\$329.86
ETP-WP	AdherePac Wide Plastic Paper, extra long	\$495.44
ATP-R65WR	AdherePac Wide Ribbon, Black ink, 6 rolls	\$167.63
650-01914	Kit, Canister On-site adjustable, Smart, ATP2	\$162.51
215-5492	Label, Canister, White, Permanent, ATP	\$59.00
Miscellaneous related services and consumables products with a not to exceed amount of \$500/item are authorized to be purchased under this Contract upon approval of the County's Project Manager or Designee.		

3. **Price Increase/Decreases:** No price increases are permitted during the term of the Contract. County requires documented proof of cost increases on contracts prior to any price adjustment. A minimum of thirty (30) business days advance notice in writing is required to secure such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to the County of Orange. County may enforce, negotiate, or cancel escalating price contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of the Contract. Adjustments increasing Contractor's profit are not allowed.
4. **Firm Discount and Pricing Structure:** Contractor guarantees that the prices in this Attachment B-2 are equal to or less than prices provided to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to County during the term of this Contract not otherwise specified and provided for within this Contract.
5. **Contractor's Expense:** Contractor is responsible for all costs related to photo copying, telephone communications and fax communications, travel, parking and any and all "out of pocket" expenses incurred by Contractor during the performance of work and services under this Contract, unless otherwise specified. Contractor is responsible for payment of all parking costs and expenses incurred at a County facility while performing work under this Contract, except to the extent the County facility has free parking available to the public and Contractor makes appropriate use of this free parking. However, County will not provide free parking for any service in the County Civic Center.
6. **Payment Terms – Payment in Arrears:** Payment will be net thirty (30) calendar days after receipt of an invoice in a format acceptable to County and verified and approved by the department and subject to routine processing requirements.

Billing shall cover services and/or goods not previously invoiced. Contractor shall reimburse County for any monies paid to Contractor for goods or services not provided or when goods or services do not meet the Contract requirements.

Payments made by County shall not preclude the right of County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.
7. **Taxpayer ID Number:** Contractor must include its taxpayer ID number on all invoices submitted to County for payment to ensure compliance with IRS requirements and to expedite payment processing.
8. **Payment – Invoicing Instructions:** Contractor must provide an invoice on Contractor's letterhead for goods delivered and/or services rendered. Invoices are to be submitted in arrears to the user department to the ship-to address, unless otherwise directed in this Contract. In the

case of goods, Contractor must leave an invoice with each delivery. Each invoice must have a unique number and must include the following information:

- a. Contractor's name and address
- b. Contractor's remittance address
- c. Contractor's Taxpayer ID Number
- d. Name of County Department
- e. Delivery/service address
- f. Master Agreement (MA) or Purchase Order (PO) number
- g. Department's Account Number, if applicable
- h. Date of Invoice
- i. Product/service description, quantity, and prices
- j. Sales tax, if applicable
- k. Freight/delivery charges, if applicable
- l. Total

The responsibility for providing acceptable invoices to County for payment rests with Contractor. Incomplete or incorrect invoices are not acceptable and shall be returned to Contractor.

Invoice and support documentation are to be forwarded to HCAAP@ochca.com or:

Orange County Health Care Agency
Accounts Payable
PO Box 689
Santa Ana, CA 92702

9. Payment (Electronic Funds Transfer):

County offers Contractor the option of receiving payment directly to its bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT shall also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address shall need to be provided to County via an EFT Authorization Form. Contractor

ATTACHMENT C

OCHCA SECURITY REQUIREMENTS AND GUIDELINES FOR CONTRACTORS AND APPLICATION SERVICE PROVIDERS



County of Orange Health Care Agency



Security Requirements and Guidelines for Application Vendors and Application Service Providers



04/2018



TABLE OF CONTENTS

1 OVERVIEW	36
2 GENERAL SECURITY REQUIREMENTS.....	36
3 ENCRYPTION	37
4 NETWORK APPLICATION DOCUMENTATION.....	37
5 ACCESS MANAGEMENT	37
6 PASSWORD MANAGEMENT.....	38
7 AUDIT CAPABILITIES.....	38
8 PROTECTION FROM MALICIOUS CODE	39
9 REMOTE SUPPORT FUNCTIONALITY	39
10 HCA DATA USAGE	39
11 CLOUD SOLUTIONS	40
12 POLICIES	40
13 BUSINESS CONTINUITY / DISASTER RECOVERY PLANS.....	42
14 BACKUP AND RESTORE.....	42
15 STAFF VERIFICATION	42
16 IT PHYSICAL SECURITY AND ACCESS CONTROL.....	43
17 IT SECURITY COMPLIANCE AND TRAINING.....	44
18 SECURITY TESTING RECOMMENDATIONS	45
19 VENDOR DELIVERABLES.....	47

1 Overview

Security Requirements and Guidelines for Application Vendors and Application Service Providers

This document provides a high-level overview of application security related guidelines and requirements set forth by the Orange County Health Care Agency (OCHCA), and applies to both software vendors for County-implemented applications and application service providers who provide hosted services.

These requirements and guidelines are consistent with regulatory privacy and security requirements and guidelines as well as supportive of OCHCA's position and practices on risk management in terms of appropriately safeguarding OCHCA's information assets.

The sections below are comprehensive and may apply in whole or in part based on specific implementation and scope of work. The expectation is that vendors will comply with relevant sections, as necessary. This information will be reviewed, validated and documented by OCHCA Security prior to any contract being finalized.

To the extent applicable Vendors are required to comply with all existing legal and regulatory requirements as they relate to OCHCA's systems and data. Example of regulations, rules and laws include, but are not limited to, the Health Insurance Portability and Accountability Act (HIPAA), Senate Bill 1386, Payment Card Industry (PCI) Data Security Standards, and Sarbanes- Oxley (SOX). Vendors must also commit to ensuring compliance with all future local, state and federal laws and regulations related to privacy and security as they pertain to the application or service.

2 General Security Requirements

- To the extent applicable application/system must meet the general security standards based upon ISO 17799 – Code of Practice for Information Security and ISO 27799 – Security Management in Health Using ISO 17799.

- The application must run on an operating system that is consistently and currently supported by the operating systems vendor. Applications under maintenance are expected to always be current in regards to the current version of the relevant operating system.
- For applications hosted by OCHCA, OCHCA will routinely apply patches to both the operating system and subsystems as updated releases are available from the operating system vendor and or any third party vendors. The vendors must keep their software current and compatible with such updated releases in order for the application to operate in this environment.
Vendors must provide timely updates to address any applicable security vulnerabilities found in the application.
- OCHCA utilizes a variety of proactive, generally available, monitoring tools to assess and manage the health and performance of the application server, network connectivity, power etc. The application must function appropriately while the monitoring tools are actively running.
- All application services must run as a true service and not require a user to be logged into the application for these services to continue to be active. OCHCA will provide an account with the appropriate security level to logon as a service, and an account with the appropriate administrative rights to administer the application. The account password must periodically expire, as per OCHCA policies and procedures.
- In order for the application to run on OCHCA server and network resources, the application must not require the end users to have administrative rights on the server or subsystems.

3 Encryption

- Application/system must use encryption to protect sensitive data at rest wherever technically possible (e.g. SQL TDE Encryption).
- All data transmissions must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. Encryption can be end to end at the network level. This requirement pertains to any regulated data in motion such as website access and file transfers.
- All electronic files, where applicable, that contain OCHCA data must be encrypted when stored on any removable media or portable device (USB drives, CD/DVD, mobile phones, backup tapes). The encryption must be a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher.

- All encryption methods used for data storage and transmission must be disclosed by the vendors.

4 Network Application Documentation

- Vendors must provide documentation related to the configuration of the application including methods of secure implementation and port requirements.

5 Access Management

- Application/system must control access to and within the system at multiple levels (e.g. per user, per user role, per area, per section of the chart) through a consistent mechanism of identification and authentication of all users in accordance with the 'Role Based Access Control' (RBAC) standard.
- Application/system must support measures to define, attach, modify and remove access rights for all classes of users.
- Application/system must support measures to enable and restrict access to the whole and/or sections of the technology solution in accordance with prevailing consent and access rules.
- Application must have the ability to create unique user accounts.
- Application must support session timeouts or automatic logoff after 20 minutes of inactivity.
- The application must provide functionality to automatically disable or lock accounts after 60 days of inactivity.

6 Password Management

- Application must support password management measures including but not limited to password expiration, account lockout and complex passwords.
- Passwords expiration must be set to 90 days and the system must prevent the use of the previous 4 passwords.
- Accounts must be locked after five unsuccessful login attempts.
- The password must be at least 8 characters in length and a combination of letters, numbers, and special characters with at least 3 of the four following categories.

- ◆ Uppercase letters (A through Z)
- ◆ Lowercase letters (a through z)
- ◆ Numeric digits (0 through 9)
- ◆ Special Characters (! @ # \$ % ^ & etc.)

7 Audit Capabilities

Auditing and logging capabilities will permit HCA to identify, and possibly reverse, unauthorized or unintended changes to application.

- Application must support the identification of the nature of each access and/or modification through the use of logging.
- Application must employ audit capabilities to sufficiently track details that can establish accountability for each step or task taken in a clinical or operational process.
- All audit logs must be protected from human alteration.
- Access to logs must be limited to authorized users.
- The application must employ basic query tools and reports to easily search logs.
- OCHCA record retention policies must be followed. [Currently OCHCA requires that this period be at least six years from the time the record was initiated.](#)
- Logging and auditing functionality must include the following:
 - ◆ Record of who did what to which object, when and on which system.
 - ◆ Successful/unsuccessful log-in and log-out of users.
 - ◆ Add, modify and delete actions on data/files/objects.
 - ◆ Read/view actions on data classified as restricted/confidential.
 - ◆ Changes to user accounts or privileges (creation, modification, deletion).
 - ◆ Switching to another users access or privileges after logging in (if applicable).

8 Protection from Malicious Code

- For cloud hosted solutions, vendors must utilize antivirus/antispyware software on servers and monitor to prevent malicious code which may lead to a compromise of OCHCA's data.
- For local hosted solutions, vendors must ensure that the application appropriately supports the use of antivirus/antispyware software.

9 Remote Support Functionality

- Provider must conform to OCHCA Vendor Remote Access Policy.

10 HCA Data Usage

- During the course of any implementation and subsequent support and life cycle management, any OCHCA data that the vendors have access to in any manner shall be considered confidential unless otherwise designated in writing.
- Vendors must not use or disclose OCHCA's data other than as permitted or as required by contract or law.
- The vendors must agree to use appropriate safeguards to prevent the unauthorized use or disclosure of OCHCA's data during any time that the data is stored or transported in any manner by vendors.
- After the end of any appropriate use of OCHCA's data within the vendors' possession, such data must be returned to OCHCA or securely destroyed unless otherwise permitted by contract or law.

11 Cloud Solutions

Application Service Providers hosting OCHCA data must meet the following additional requirements and are required to comply with and provide deliverables noted below:

- **SSAE 18.** SSAE 18 SOC 2 Type 2 or SOC 3 compliance certificate
- **Network Intrusion Detection and Prevention.** All systems that are accessible via the internet must actively use a network based intrusion detection and prevention solution.
- **Workstation/Laptop Encryption.** All workstations, laptops and mobile devices that process and/or store OCHCA data must be encrypted using full disk encryption that uses a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher.
- **Jurisdiction and Location of OCHCA Data.** To protect against seizure and improper use by non-United States (US) persons and government entities, all data / information stored and processed for OCHCA must reside in a facility under the legal jurisdiction of the US.
- **Patch Management.** All workstations, laptops, and other systems that access, process and/or store OCHCA data must have appropriate security patches installed. Application Service Providers must

utilize a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a minimum, all applicable patches must be installed within 30 days of vendor release.

- **Application Access.** All systems accessible via the internet must employ security controls to prevent access to the application via an asset not approved or owned by the county.
- **Risk Assessment.** Application Service Providers hosting data for HIPAA covered services must conduct an accurate and thorough Risk Assessment as required by HIPAA Security Rule, Security Management (§ 164.308(a)(1)). Further, they must follow the risk assessment methodology, based on the latest version of NIST SP 800-30 (http://csrc.nist.gov/publications/nistpubs/800-30-rev1/sp800_30_r1.pdf). Upon request, the Risk Assessment findings and remediation strategy must be shared with OCHCA.
- **NIST.** To ensure compliance with HIPAA, Application Service Providers shall implement appropriate security safeguards by following National Institute of Standards and Technology (NIST) guidelines.

12 Policies

Vendors must have formal, published IT security policies that address how they manage and maintain the internal security posture of their own or sub-contracted infrastructure. The vendor shall also clearly demonstrate that additional security features are in place to protect systems and data in the unique environment of the service provider model: namely, security issues associated with storing County-owned data on a remote server that is not under direct County control and the necessity of transferring this data over an untrusted network.

Vendors must provide, to the extent permissible, all relevant security policies and procedures to the County for review and validation. All documentation must be provided in electronic format for the County's review.

These policies must include, but not be limited to, the following:

- **IT Staff Usage Agreement.** All vendor employees performing services for the County must sign and agree to an IT usage agreement within their own organization as part of an

overall security training and awareness program. At a minimum, vendor employees must sign a statement of understanding within their own organization regarding Internet dangers, IT security, and IT ethics and best practices,

- **IT Security Policies and Procedures.**
- **IT Operations Security Policy.** Written standards for operational security for any facilities where the County data, staff or systems shall exist. These documents must include, but not be limited to, physical security, network security, logical security, systems/platform security, wireless access, remote access, and data protections.
- **Data Management Security Policy.** Policy for the safeguarding and management of all data provided by the County or accessed by vendor as part of implementation and ongoing maintenance. This policy must, at a minimum, include check-in, check-out, copy control, audit logs and separation of duties.
- **Security Incident Notification and Management Process.** A detailed document that outlines the contact names and order and escalation of events that will occur in the case of a security breach concerning the County staff, data, or systems. This document must be updated immediately upon any change. The vendor shall be held liable to the time-tables and protections outlined in the document.

In addition to developing, maintaining, and enforcing the above named policies, the vendor must:

- Bear the cost of compliance for any required changes to security infrastructure, policies and procedures to comply with existing regulations, unless such change is unique to the County.
- Comply with reasonable requests by the County for audits of security measures, including those related to identification and password administration.
- Comply with reasonable requests by the County for onsite physical inspections of the location from which the vendor provides services.
- Provide the County with any annual audit summaries and certifications, including but not

limited to HIPAA, ISO or SOX audits, as applicable.

- Designate a single point of contact to facilitate all IT security activities related to services provided to the County, with the allowance of appropriate backups. Such contact(s) must be available on a 7/24/365 basis.

13 Business Continuity / Disaster Recovery Plans

Application Service Providers must have a viable risk management strategy that is formally documented in a Business Continuity Plan (BCP) and/or a Disaster Recovery Plan (DRP). This BCP/DRP plan(s) must identify recovery strategies within the application service areas, outline specific recovery methods and goals, and provide the mutually agreed upon recovery time and point objectives.

14 Backup and Restore

Vendor is responsible for generating a backup of pertinent data that provides a restore point in the event of system hardware failure. Backups shall be initiated daily, at a minimum, or at shorter intervals, as needed. Backups shall be stored on the local hard drive, with each file residing in a separate folder for the 7 days of the week. HCA will copy the backup files from the agreed upon folder to our network share for storage and restoration purposes.

15 Staff Verification

For any employee a vendor contemplates using to provide services for the County, the vendor shall use its standard employment criteria as used for similar services provided to their customers in evaluating the suitability of that employee for such roles.

At a minimum, subject to the requirements of applicable law, such criteria must include the information as outlined below for each employee:

- **Relevant Skills, Licenses, Certifications, Registrations.** Each service employee must possess the educational background, work experience, skills, applicable professional licenses, and related professional certifications commensurate with their position as determined by Contractor. The County may, at any time and at its sole discretion, request that the vendor demonstrate compliance with this requirement as applicable to the nature of the services to be offered by the vendor's employee. The County may, at its sole discretion, also request the vendor's certification that the vendor employee has undergone

a chemical/drug screening, with negative results, prior to granting access to the County facilities.

- **Background Checks.** In accordance with applicable law, the vendor must, at the County's request, obtain as a condition of employment, a background investigation on any vendor employee selected to work for the County. The security and background investigation shall include criminal record checks, including records of any conviction in the U.S. or other relevant jurisdiction where the employee resides. Costs for background investigations must be borne by the vendor.

At a minimum, subject to the requirements of applicable law, the vendor must:

1. Ensure that all vendor service employees performing applicable services or supporting the vendor's duties and obligations under a County agreement: (i) have not been convicted of any crime involving violence, fraud, theft, dishonesty or breach of trust under any laws; and (ii) have not been on any list published and maintained by the Government of the United States of America of persons or entities with whom any United States person or entity is prohibited from conducting business.
2. Follow such verification procedures as may be reasonably specified by the County from time to time. If either the vendor or the County becomes aware that any vendor employee has been convicted of a crime involving violence, fraud, theft, dishonesty or breach of trust, or has been included on any such list of persons or entities convicted of such crimes, then the vendor shall promptly remove the employee from providing services to the County and prohibit that employee from entering any facilities at which services are provided.
3. Annually certify to the County that, to the best of its knowledge, none of the service employees have been convicted of any felony involving fraud, theft, dishonesty or a breach of trust under any laws.

16 IT Physical Security and Access Control

The vendor must establish processes and procedures for physical access to and control of their own facilities that are, at a minimum, consistent with relevant industry-specific best practices.

Vendor employees are expected to:

- Comply with facility access procedures, using procedures such as sign-in/sign-out requirements and use of assigned ID badges.
- Scan ID badges, where applicable, at any secure door and/or entrance and exit gates, including any door or gate that may already be open.
- Refrain from using recordable media in conjunction with County-owned equipment.
- Comply with check-in/check-out requirements for materials and/or equipment.
- Adhere to the facility's established emergency, safety and evacuation procedures.
- Report any unsafe conditions to the facility's safety representative.
- Report any access violations or security threats to the facility's local security administrator.

17 IT Security Compliance and Training

The vendor must ensure that all vendor employees comply with security policies and procedures and take all reasonable measures to reduce the opportunity for unauthorized access, transmission, modification or misuse of the County's data by vendor employees.

The vendor must ensure that all vendor employees are trained on security measures and practices. The vendor will be responsible for any costs related to such training.

At a minimum, the vendor is expected to:

- Ensure that a formal disciplinary process is defined and followed for vendor employees

who violate established security policies and procedures.

- Proactively manage and administer access rights to any equipment, software and systems used to provide services to the County.
- Define, maintain and monitor access controls, ranging from physical access to logical security access, including a monthly review of vendor employees' access to systems used to provide services to the County.

The vendor shall monitor facilities, systems and equipment to protect against unauthorized access. At a minimum,

the vendor is expected to:

- Monitor access to systems; investigate apparent security violations; and notify the County of suspected violations, including routine reporting on hacking attempts, penetrations and responses.
- Maintain data access control and auditing software and provide adequate logging, monitoring, and investigation of unusual or suspicious activity.
- Initiate immediate corrective actions to minimize and prevent the reoccurrence of attempted or actual security violations.
- Document details related to attempted or actual security violations and provide documentation to the County.
- Provide necessary documentation and evidence to the County in connection with any legal action or investigation.

18 Security Testing Recommendations

The vendor should perform a series of steps to verify the security of applications, some of which are noted below. This section will not be validated by the County, but reflects best practices that the vendor should consider and follow.

1. Look for vulnerabilities at various layers of the target environment. In the lowest layer, the vendor's testing team should look for flaws in the target network environment, including

any routers and firewalls designed to control access to the web server and related target components. The team should attempt to determine whether such filters provide adequate protection at the network layer of the target hosts that the team can reach across the Internet.

2. Look for flaws in the Internet-accessible hosts associated with the target infrastructure, including the web server. This host-based component of the test will analyze which network-accessible services are available on the target hosts across the Internet, including the web server process. The testing team should look for incorrect configuration, unpatched or enabled services, and other related problems on the target hosts.

This review performed by the vendor should include but not be limited to:

- The web application (i.e., the software that interacts with users at their web browsers; typically custom-crafted code created by the web development team)
- The web server application (the underlying software that sends and receives information via HTTP and HTTPS, typically off-the-shelf software such as Microsoft's IIS or the open-source Apache software)
- Any separate backend application servers that process information from the web application
- The backend database systems that house information associated with the web application.
- Infrastructure diagrams.
- Configuration host review of settings and patch versions, etc.
- Full code review.
- Identification and remediation of well-known web server, code engine, and database vulnerabilities.
- Identification and remediation of any server and application administration flaws and an exploitation attempt of same.
- Analysis of user interface, normal application behavior, and overall application

architecture for potential security vulnerabilities.

- Analysis of data communications between the application and databases or other backend systems.
- Manual analyses of all input facilities for unexpected behavior such as SQL injection, arbitrary command execution, and unauthorized data access.
- Analyses of user and group account authentication and authorization controls to determine if they can be bypassed.
- Identification of information leakage across application boundaries, including the capability to enumerate other users' data and "show code" weaknesses that reveal internal application logic.
- Identification of areas where error handling is insufficient or reveals too much sensitive information.
- Identification of opportunities to write to the host file system or execute uploaded files.
- Identification of product sample files, application debugging information, developer accounts or other legacy functionality that allows inappropriate access.
- Determination as to whether or not fraudulent transactions or access can be performed.
- Attempts to view unauthorized data, especially data that should be confidential.
- Examination of client-side cached files, temporary files, and other information that can yield sensitive information or be altered and re-submitted.
- Analysis of encoded and encrypted tokens, such as cookies, for weakness or the ability to be reverse engineered.

19 Vendor Deliverables

The following items are to be provided by the vendor:

- OCHCA Security Requirements and Guidelines for Application Vendors and Application Service Providers - Questionnaire
- Business Continuity Plan Summary (as related to service provided)

- Network Diagram that demonstrates vendor network and application segmentation including the security controls in place to protect HCA data
- IT Security Staff Usage Policy
- IT Security Policies and Procedures
- IT Operations Security Policy
- Data Management Security Policy
- Security Incident Notification and Management Process
- Security Contact Identification (24x7x365)
- Staff Related Items
 - Pre-Employment Screening Policy/Procedure
 - Background Checking Procedure
 - Ongoing Employment Status Validation Process
 - Staff Roster and Duties