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"The mission of the Los Angeles County Health Agency is to improve health and wellness across Los Angeles County through effective, integrated, comprehensive, culturally appropriate services, programs, and policies that promote healthy people living in healthy communities."



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 November 14, 2017

November 14, 2017

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

LORI GLASGOW
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF A SOLE SOURCE SUCCESSOR AGREEMENT
WITH QUADRAMED AFFINITY CORPORATION AND AN
AMENDMENT TO SOLE SOURCE AGREEMENT H-701910 WITH
PROVIDER ADVANTAGE, NW INC.
(ALL SUPERVISORIAL DISTRICTS)**

(3 VOTES)

CIO RECOMMENDATION: APPROVE [X]

SUBJECT

Request approval of: (i) a sole source successor Agreement with QuadraMed Affinity Corporation for the continued provision of software and hardware maintenance and support services for a Patient Accounting system and the continued operations and maintenance of the limited hardware and software components of the Legacy Clinical Record system; and (ii) an amendment to the sole source Agreement with Provider Advantage, NW Incorporated for the provision of software to extend the Agreement term, amend the Statement of Work and make other related changes.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of the Health Agency (Director), or his designee, to execute: (a) a sole source successor Agreement (QuadraMed Agreement) with QuadraMed Affinity Corporation (QuadraMed), for the provision of a Patient Accounting system and Legacy Clinical Record system maintenance and support services, effective upon execution, with an initial term of five years for the period January 1, 2018 through December 31, 2022, with an option to extend the term for two additional one-year periods, with a Maximum Agreement Sum not to exceed \$43,525,551, which includes \$12,814,107 in Pool Dollars allocated for optional work, for the entire term of the QuadraMed Agreement including the optional extension periods; (b) Change Notices to the QuadraMed Agreement for changes that do not require any additional costs or expenses or that do not otherwise materially affect any term or

condition of the QuadraMed Agreement; (c) Change Orders or Amendments using Pool Dollars included as part of the Maximum Agreement Sum to acquire Optional Work, provided the amounts payable under such Change Orders or Amendments do not exceed the available amount of Pool Dollars; and (d) Amendments to extend the term of the QuadraMed Agreement with notice to the Board and Chief Executive Office (CEO).

2. Delegate authority to the Acting Director of the Department of Health Services (DHS Director), or her designee, to execute: (a) Amendment Number 6 to the sole source agreement (PA Agreement) with Provider Advantage, NW Inc. (PA), effective upon execution to: (i) extend the term of the PA Agreement for the continued provision of HIPAA Compliant 270/271 Eligibility Response Software, for the period January 1, 2018 through December 31, 2022, with an option to extend the term of the PA Agreement for two additional one-year periods; (ii) increase the Maximum Agreement Sum by \$5,672,202 from \$7,147,529 to \$12,819,731, which includes \$18,747 in Pool Dollars, for the entire term of the PA Agreement, including the optional extension periods; (iii) revise the Statement of Work (SOW) as necessary to effectuate this extension; and (iv) make other related changes to update the terms and conditions of the PA Agreement; and (b) amend the PA Agreement to: (i) grant annual Cost-of-Living Adjustments (COLAs) of the lesser of three percent (3%) or the movement in the Consumer Price Index (CPI) during the period of January 1, 2019 through December 31, 2022; and (ii) exercise the extensions of the PA Agreement with notice to the Board and CEO.
3. Delegate authority to the Director, or his designee, or the DHS Director, or her designee, as appropriate, with respect to the QuadraMed Agreement and PA Agreement (collectively, the Agreements) to: (a) issue written notice(s) of partial or total termination of an Agreement for convenience and take related actions without further action by the Board; and (b) execute amendments to the Agreements to: (i) add, delete, and/or change certain terms and conditions as mandated by Federal or State law or regulation, Los Angeles County (County) policy, the Board and/or CEO; (ii) reallocate the cost components comprising the Maximum Agreement Sum for each Agreement without increasing the maximum Contract Sum; (iii) assign and delegate the Agreements, resulting from acquisitions, mergers, or other changes in ownership; with all actions subject to prior review and approval by County Counsel, and as applicable, the Chief Information Office (CIO), with notice to the Board and CEO for action (b) (iii).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

QuadraMed Background

The County currently has two separate agreements with QuadraMed for the provision of Health Information System (HIS) software and hardware maintenance and support services. Agreement Number 72190 is for Harbor UCLA Medical Center (H-UCLA MC), Olive View UCLA Medical Center (OV-UCLA MC) and LAC+USC Medical Center (LAC+USC MC). Agreement Number 56649 is for High Desert Regional Multi-Service

Ambulatory Care Center (now known as High Desert Regional Health Center or HDRHC), Rancho Los Amigos National Rehabilitation Center (RLANC) and Martin Luther King, Jr. Multi-Service Ambulatory Care Center (now known as Martin Luther King, Jr. Outpatient Center or MLK OC).

In 2014, the Department of Health Services (DHS) began implementing an Electronic Health Records (EHR) system, called Online Real-time Centralized Health Information Database (ORCHID), pursuant to an agreement with Cerner Corporation (Cerner). When ORCHID was implemented at various DHS facilities, its functionality replaced the legacy patient clinical record system provided by QuadraMed. DHS completed ORCHID implementation in April 2016. DHS continues to use QuadraMed's Patient Accounting system, Revenue Cycle Only (RCO), and it requires access to the legacy Patient Accounting modules. The RCO modules operate on hardware located at the DHS Data Centers.

On July 17, 2017, DHS notified the Board of its intent to return to the Board in the future to request approval to amend the ORCHID agreement to add Cerner's Cost Accounting and Patient Accounting modules. Due to the complexity and scope of the ORCHID project, launching the new Cerner modules is anticipated to be handled in two phases, the first phase being Cost Accounting, followed by Patient Accounting. In the interim, QuadraMed's RCO must be maintained in tandem with the legacy clinical record system modules that QuadraMed currently supports under the two current agreements with QuadraMed that expire on December 31, 2017.

PA Background

The Board approved the sole source Agreement with PA on March 21, 2006, for software that generates HIPAA compliant 270/271 patient's eligibility and benefit inquiries to various third-party payers and other related functions. PA's eligibility software is integrated with QuadraMed's HIS to obtain patient healthcare eligibility during the registration process. PA's eligibility software is used throughout DHS to screen every patient for program eligibility. The transaction data provided by PA is stored for use in filing DHS' annual cost reports. Numerous custom programming features have been developed specifically for DHS, including a retroactive eligibility identification system which uses automation to identify Medi-Cal coverage that is awarded after patient services have been rendered. More than 2.5 million transactions are generated each month using the PA software. On November 13, 2012, the PA Agreement was extended to be coterminous with the current agreements with QuadraMed, and expires on December 31, 2017.

Recommendations

Approval of the first recommendation will allow the Director to: (a) execute a single QuadraMed Agreement, substantially similar to Exhibit I, to replace the two current agreements with QuadraMed; (b) execute Change Notices, Change Orders, or Amendments as applicable. The Maximum Agreement Sum which includes \$12,814,107 in Pool Dollars for Optional Work. Optional Work includes, but is not limited to: (a) County requested professional services for activities related to RCO (e.g., ad hoc report development, system design requests, reports, training); (b) various application, operations, report, configuration, change management, and revision interface system

support; (c) transition services for various legacy application software modules; and (d) County data center hardware refresh which is anticipated in year three of the QuadraMed Agreement. In addition, the first recommendation will enable the Director to amend the QuadraMed Agreement to exercise the two optional one-year term extensions. This successor QuadraMed Agreement will enable DHS to streamline the relationship with QuadraMed into one agreement with a SOW that is reflective of the current maintenance and support services and updated County required and information technology (IT) terms and conditions.

The QuadraMed Agreement includes a built-in two percent increase in the software maintenance and professional rate card in year three of the QuadraMed Agreement and an additional two percent increase in the sixth year if the first optional one-year extension is exercised. QuadraMed has maintained the same rates for maintenance and support for the past ten years although their costs to maintain the system have increased over time. There are incremental annual increases built in for the third party software through the term of the Agreement and optional years.

Approval of the second recommendation will allow the DHS Director to execute an amendment to the PA Agreement, substantially similar to Exhibit II, to extend the PA Agreement term and increase the Maximum Agreement Sum for the extension to ensure uninterrupted day-to-day operations and continued maintenance, support, and training for PA's eligibility software. The recommended amendment also updates the SOW and has provisions for annual COLAs starting January 1, 2019 through December 31, 2022.

During negotiations, PA initially requested an annual three percent increase in the maintenance fees. DHS was able to reach agreement with PA on an annual COLA limited to the lesser of three percent or the movement in the CPI during the 12-month prior period, which will apply to years two through year five of the extension period. This negotiated COLA deviates from the Board Policy limiting any COLA to the lesser of movement in the CPI or movement in County salaries over the prior 12-month period. PA refused to agree to a COLA that was in full compliance with the Board's policy. Given that PA initially requested a flat three percent increase for each year, DHS believes it is an acceptable compromise and as such requests a waiver in part of the County's COLA policy. The second recommendation will also enable the DHS Director to amend the PA Agreement to exercise the two optional one year term extensions.

Approval of the third recommendation will allow the Director or DHS Director, as applicable, to issue notices of partial or full termination of each Agreement for convenience; reallocate the maximum contract for each Agreement; execute amendments to address changes in County policy, and agree to assignment and delegations resulting from acquisitions, mergers, or other changes in ownership, as necessary.

Implementation of Strategic Plan Goals

The recommended actions support Goal II, Strategy II.2, "Support the Wellness of Our Communities," and Goal III, Strategy III.3, "Striving for Operational Effectiveness, Fiscal Responsibility and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The Maximum Agreement Sum under the QuadraMed Agreement for the entire potential seven-year term is \$43,525,551, which includes \$12,814,107 in Pool Dollars for Optional Work. Optional Work includes, but is not limited to: (a) County requested professional services for activities related to RCO (e.g., ad hoc report development, system design requests, reports, training); (b) various application, operations, report, configuration, change management, and revision interface system support; (c) transition services for various legacy application software modules; and (d) County data center hardware refresh which is anticipated in year three of the QuadraMed Agreement.

The Maximum Agreement Sum through the potential seven-year term of the PA Agreement will be increased by \$5,672,202 for a total maximum contract sum of \$12,819,731, which includes an annual COLA for the period January 1, 2019 through December 31, 2022.

Funding is included in DHS' Fiscal Year 2018 Final Budget, and will be requested in future fiscal years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The QuadraMed Agreement may be terminated for convenience in part by the County upon 60 days prior written notice and may be terminated for convenience in whole by the County with 180 days prior written notice. If, during the term of the QuadraMed Agreement, DHS transitions to a new Patient Accounting system, QuadraMed will work with County on identifying and assisting in the transition services.

In accordance with the Board's directive to engage outside counsel for IT agreements exceeding \$5 million, County Counsel retained the law firm of Foley & Lardner, LLP, to assist in the negotiation of the successor agreement with QuadraMed. Accordingly, Foley & Lardner, in conjunction with County Counsel, reviewed the QuadraMed Agreement. Additionally, in accordance with the Board's policy, County Counsel has separately submitted to the Board a privileged memorandum which analyzes the negotiated QuadraMed Agreement. The QuadraMed Agreement contains a negotiated limit of liability of \$5 million related to QuadraMed's liability with respect to the Business Associate Agreement which was reviewed by County Counsel, Foley & Lardner, and CEO Risk Management. Given that QuadraMed does not host County data, DHS made the business decision to accept these changes as the risk to County is minimal compared to the added value of the QuadraMed Agreement.

County Counsel has approved the attached Exhibit I as to form.

The PA Agreement was first approved by the Board in 2006. The PA Agreement has been amended several times to update terms and conditions as required by the Board. Amendment No. 6 includes the addition of compliance with County's Zero Tolerance

Policy on Human Trafficking. In addition, Amendment No. 6 includes additional terms detailing the contractor's obligations with respect to data handling and privacy with respect to the County's data. There are many variances with respect to the County's standards in the amendment to the PA Agreement. PA advised the County during the negotiations that considering its relatively small size and capabilities, it was not willing to agree to many of the County's standard terms with respect to risk and liability. Due to a change in management, PA's willingness to accept the risk that the County requires of its vendors has changed significantly. Most importantly, PA requires the addition of a limitation on its liability of \$3 million and disclaims its liability for any indirect and certain other damages. In addition, PA required variances to the County's insurance standards and encryption policy. Nonetheless, DHS has made the business decision, after discussion with CEO Risk Management, to proceed with the extension by considering DHS' history with PA and the potential patient impact of not extending the PA Agreement.

DHS has a nearly eleven year history with PA and it has experienced few, if any issues with the software. In addition, there is minimal data sent to PA, minimizing the risk of a data breach. The potential impact of not renewing the PA Agreement is significant. DHS currently runs more than 1.4 million real time automated 270/271 transactions and more than 1 million automated retroactive transactions per month. Patient access to medical care may be delayed if a non-automated system of eligibility determination is used and identification of patient resources will be more labor intensive making billing for patient services more difficult. In addition, DHS would face numerous data integrity issues if the process becomes a manual effort.

The PA Agreement has never been subject to outside counsel review because it was a fee per transaction financial services agreement and not seen as an IT agreement. County Counsel has approved the attached Exhibit II as to form.

The Chief Information Office has reviewed these items and is recommending approval. This successor QuadraMed Agreement replaces the previously Board-approved current Agreements and does not introduce any new technology-related issues. The PA Agreement extension also does not introduce any new technology-related issues. As a result, no formal CIO Analysis is included herewith.

The Department has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the Agreements and that the Agreements are exempt from Proposition A (County Code Chapter 2.121).

CONTRACTING PROCESS

QuadraMed has been providing system hardware and software maintenance and support services for DHS under the current two agreements and the services are necessary to continue to support patient accounting. Execution of a single successor agreement will appropriately memorialize the relationship now and going forward.

Amendment Number 6 is an amendment to the current sole source Agreement with PA.

On March 30, 2017, DHS advised the Board of its intent to enter into contract negotiations for a sole source successor Agreement with QuadraMed and a sole source Amendment with Provider Advantage (Attachment A).

Attachments B and C are the Sole Source checklists for the Agreements in compliance with Board Policy 5.100.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure the Health Agency and DHS will have continued maintenance and support of QuadraMed's RCO and the Legacy Clinical Record system and PA's eligibility software.

Respectfully submitted,



Mitchell H. Katz, M.D.
Director

Reviewed by:



William Kehoe
Chief Information Officer

MHK:WK:mm

Enclosures (5)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



Health Services
LOS ANGELES COUNTY

ATTACHMENT A

March 30, 2017

**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Janice Hahn
Fourth District

Kathryn Barger
Fifth District

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Hilda Solis
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Mitchell H. Katz, M.D.
Director

**SUBJECT: ADVANCE NOTIFICATION OF A SOLE SOURCE
SUCCESSOR AGREEMENT WITH QUADRAMED
AFFINITY CORPORATION AND SOLE SOURCE
AMENDMENT WITH PROVIDER ADVANTAGE, NW
INCORPORATED**

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Chief Operations Officer

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www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners.*

This is to advise the Board that the Department of Health Services (DHS) intends to return to the Board to request approval of a successor agreement to two existing sole source Agreements (Numbers 72190 and 56649) with QuadraMed Affinity Corporation (QuadraMed) for the continued provision of software and hardware maintenance and support services for DHS' Patient Accounting System (PA) and the limited hardware and software components of the legacy Turnkey Healthcare Information Systems (HIS), and an amendment to the sole source Agreement No. H-701910 with Provider Advantage NW, Incorporated (Provider Advantage) for software which generates Health Insurance Portability and Accountability Act (HIPAA) compliant eligibility inquiries to various third party payers as required by Federal regulations. The QuadraMed successor agreement will need to be coterminous with the Provider Advantage Agreement as they are the preferred provider of eligibility inquiries.

Board Policy No. 5.100 requires written notice of a department's intent to enter into sole source negotiations for extension of a Board-approved agreement at least six (6) months prior to the agreement's expiration date. The existing Agreements with QuadraMed and Provider Advantage will expire on December 31, 2017.

Background

The County currently has two (2) separate Agreements with QuadraMed: (1) Agreement Number 72190, approved by the Board on June 29, 1999, for the provision of HIS software and hardware maintenance and support services for Harbor UCLA Medical Center (H-UCLA MC), Olive View UCLA Medical Center (OV-UCLA MC) and

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LAC+USC Medical Center (LAC+USC MC); and (2) Agreement Number 56649, approved by the Board on January 21, 1997, for High Desert Regional Multi-Service Ambulatory Care Center (now known as High Desert Regional Health Center or HD), Rancho Los Amigos National Rehabilitation Center (RLANC) and Martin Luther King, Jr. Multi-Service Ambulatory Care Center (now known as Martin Luther King, Jr. Outpatient Center or MLK OC).

The Board approved a sole source Agreement with Provider Advantage on March 21, 2006. Provider Advantage's eligibility software is integrated with QuadraMed's legacy Turnkey Healthcare Information System to obtain patient healthcare eligibility during registration. On November 13, 2012, the Provider Advantage Agreement was extended to be coterminous with QuadraMed's Agreements' December 31, 2017 expiration date, at which time DHS also requested delegated authority to extend the Agreement through December 31, 2019.

Justification

DHS is recommending the successor agreement with QuadraMed to allow DHS to continue utilizing the proprietary software, which only QuadraMed can maintain and support, in order to provide patient accounting services and for DHS to meet the record retention requirements of California Code of Regulations Title 22 (Title 22). In addition, DHS staff require access to QuadraMed's Quantim modules to view historical clinical data, such as past test results that are not available in any other system.

Continued access to QuadraMed's PA is vital to continued revenue collection of patients' accounts while DHS explores the future needs for PA in light of DHS moving towards an itemized billing system. DHS may pursue Cerner's PA system as a replacement to the QuadraMed Affinity PA module, as it shares the same database and model with Cerner's electronic health record system for County, the Online Real-time Centralized Health Information Database (ORCHID), which is designed for an itemized billing environment. DHS completed ORCHID implementation in April 2016. Once DHS converts from an all-inclusive billing system to itemized billing, DHS will be able to implement a charge-based cost accounting system.

The existing Agreement with Provider Advantage will need to be amended to be coterminous with the successor QuadraMed agreement. Provider Advantage eligibility software is used throughout DHS to screen every patient for program eligibility. The transaction data provided by Provider Advantage is stored for use in filing DHS' annual cost reports. Numerous custom programming features have been developed specifically for DHS, including a retroactive eligibility identification system, which uses automation to identify Medi-Cal coverage that is awarded after patient services have been rendered. More than 2.5 million transactions are generated each month.

Due to the age of the existing QuadraMed agreements, DHS in concert with County Counsel has determined that a successor agreement is the best vehicle to accurately reflect the current services performed by QuadraMed based on current technology and to bring all contractual terms and conditions up-to-date. This successor agreement will

Each Supervisor
March 30, 2017
Page 3

enable DHS to: (i) streamline DHS's relationship with QuadraMed into one agreement; (ii) ensure uninterrupted and continuous maintenance and support for the remaining QuadraMed systems for the six DHS facilities utilizing or accessing the systems; (iii) ensure compliance with updated County required and information technology (IT) terms and conditions; and (iv) provide an updated statement of work to reflect the remaining maintenance and support, which will exclude the services terminated by County up to date.

DHS will proceed with the negotiation of the sole source successor agreement with QuadraMed and the amendment with Provider Advantage within two weeks from the date of this memo unless the Department is instructed otherwise by the Board.

If you have any questions, please let me know.

MHK:mm

c: Chief Executive Office
Executive Office, Board of Supervisors
County Counsel
Chief Information Office

SOLE SOURCE CHECKLIST
QUADRAMED AFFINITY CORPORATION

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. Monopoly is an "Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
✓	<p>➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.</p> <p>The Department of Health Services (DHS) notified the Board on July 17, 2017 of its intent to discontinue utilizing its current patient accounting system, a proprietary system owned by the QuadraMed Affinity Corporation (QuadraMed), and move to a new system. Due to the complexity of purchasing and replacing a patient accounting system, it is in the best economic interest of the County to enter into a successor Agreement with QuadraMed. Continued access to QuadraMed's system is vital to continue revenue collection efforts and to access historical clinical data, such as past test results.</p>

Marta McDi

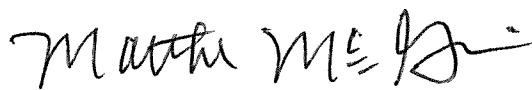
Chief Executive Office

11/2/17

Date

SOLE SOURCE CHECKLIST
PROVIDER ADVANTAGE, NW INC

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. Monopoly is an <i>"Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
✓	<p>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</p> <p>Provider Advantage provides patient eligibility software, which has been integrated into the QuadraMed Affinity Corporation (QuadraMed) patient accounting system utilized by the Department of Health Services (DHS). Since DHS notified the Board on July 17, 2017 of its intent to discontinue utilizing the QuadraMed patient accounting system and move to a new system, it would be prohibitively costly and impractical to seek a new provider to supply and integrate eligibility software into the QuadraMed system for the interim period until the new successor system is operational.</p>
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



Chief Executive Office

11/2/17
Date



**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
QUADRAMED AFFINITY CORPORATION
FOR
REVENUE CYCLE AND
LEGACY HEALTH INFORMATION SYSTEMS
MAINTENANCE AND SUPPORT SERVICES**

Agreement Number H-707298

January 1, 2018

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**AGREEMENT FOR
REVENUE CYCLE AND LEGACY HEALTH INFORMATION SYSTEMS
MAINTENANCE AND SUPPORT SERVICES**

This Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services and Exhibits ("**Agreement**") is made and entered into this first (1st) day of January, 2018 by and between the County of Los Angeles ("**County**") and QuadraMed Affinity Corporation ("**Contractor**"), a Delaware corporation, with its principal place of business at 2300 Corporate Park Drive, Suite 400, Herndon, VA 20171 (each of County and Contractor a "**Party**" and together the "**Parties**"). When used herein, the term "Agreement" includes the body of this Agreement and any statement(s) of work ("**Statement(s) of Work**" or "**SOW(s)**") entered into by the Parties hereunder and such other exhibits ("**Exhibit(s)**"), attachments ("**Attachment(s)**"), schedules ("**Schedule(s)**") appended to this Agreement and additional documents that the Parties identify and agree to incorporate herein by reference. In the event of a conflict between the body of this Agreement and any SOW, Exhibit, Attachment, Schedule, or incorporated material, such conflict or inconsistency shall be resolved by giving precedence first to the Agreement and then to the Exhibits in the order of priority set forth in Section 2.0 (Interpretation) below.

RECITALS

WHEREAS, the County may contract with private businesses for Maintenance and Support Services when certain requirements are met; and

WHEREAS, the Contractor is a private firm specializing in providing Maintenance and Support Services; and

WHEREAS, the Contractor warrants that it possesses the necessary special skills, experience, knowledge, technical competence and sufficient staffing to perform under this Agreement; and

WHEREAS, Contractor has been providing system hardware and software maintenance and support services at six (6) County medical centers pursuant to two (2) prior agreements with County, including any predecessors thereto ("**Prior Agreements(s)**"): (1) Agreement No. 72190 for Turnkey Healthcare Information Systems at Harbor-UCLA Medical Center, Olive View-UCLA Medical Center and LAC+USC Medical Center, approved by County's Board of Supervisors ("**Board**") on June 29, 1999, and (2) Agreement No. 56649 for Turnkey Hospital Information Systems at High Desert Multi-Service Ambulatory Care Center, Ranch Los Amigos National Rehabilitation Center and Martin Luther King Multi-Service Ambulatory Care Center, executed by the County's Purchasing Agent to be effective on December 31, 1996 pursuant to the Board's authorization of January 21, 1997; and

WHEREAS, the County desires that Contractor provide, and Contractor agrees to provide, the goods and services ("**Services**") for the continued maintenance and support of the Revenue Cycle and Legacy Health Information Systems ("**System**") for the Health Agency in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, the Parties agree that this Agreement will supersede the Prior Agreements and all amendments thereto; and

WHEREAS, County is authorized by, *inter alia*, California Government Code Sections 26227 and 31000 to contract for goods and services, including the Services contemplated herein.

NOW THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein), and the mutual covenants and agreements contained herein, and for good and valuable consideration, the Parties agree to the following:

AGREEMENT

1.0 APPLICABLE DOCUMENTS

All Exhibits, Statements of Work, Attachments, and Schedules that are referenced herein and appended hereto, or are signed by the Parties on or after the date of this Agreement and by their express terms are to be part of this Agreement, are hereby incorporated by reference. The Exhibits, Statements of Work, Attachments, and Schedules set forth in the Exhibit list above are attached hereto and incorporated herein.

This Agreement and the Exhibits hereto constitute the complete and exclusive statement of understanding between the Parties, and supersede all previous agreements, written and oral, and all communications between the Parties relating to the subject matter of this Agreement. No change to this Agreement shall be valid unless prepared pursuant to Section 13.0 (Changes to Agreement) and signed by both Parties.

2.0 INTERPRETATION

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, subtask, deliverable, goods, service, or otherwise, between or among any of the body of this Agreement (for purposes of determining conflicts between parts of this Agreement, Statements of Work, Exhibits, Attachments, and Schedules, such conflict or inconsistency shall be resolved by giving precedence first to the body of this Agreement, and then to the Statements of Work, Exhibits, Attachments, and Schedules according to the following priority:

- (i) Exhibit D – Glossary
- (ii) Exhibit A - Statement of Work
- (iii) Exhibit B - Service Level Agreement
- (iv) Exhibit C - Pricing Terms
- (v) Exhibit E - Administration of Agreement
- (vi) Exhibit F - Contractor's EEO Certification
- (vii) Exhibit G - Confidentiality Agreement
- (viii) Exhibit H - Business Associate Agreement
- (ix) Exhibit I - Safely Surrendered Baby Law
- (x) Exhibit J - Jury Service Ordinance
- (xi) Exhibit K - Source Code Escrow Terms and Conditions
- (xii) Exhibit L - Third Party Products with Independent Conditions
- (xiii) Exhibit M - Form Subcontractor Agreement

When an industry standard or commonly referenced business process (such as HL7 protocols, SAS 70 Type II audits, or ISO-17799 standards) referenced in this Agreement, is succeeded by a differently

named or numbered standard or process, that successor standard or process is incorporated herein as if it were referenced by its new name or number in this Agreement. For example, references in this Agreement to SAS 70 shall be read as references to SSAE 16, upon its effective date and replacement of SAS 70.

3.0 LICENSE AND INTELLECTUAL PROPERTY

3.1 License

3.1.1 Existing License

Subject to the provisions of Section 3.3 (Ownership), Contractor has previously granted to County under Prior Agreements, and County owns as of the Effective Date of this Agreement and shall continue to own a perpetual (except where (i) the license is explicitly identified as not being perpetual in Exhibit L (Third Party Products with Independent Conditions) or (ii) where the license is explicitly identified as a subscription license in Exhibit C.2 (System Software Fee Schedule)), irrevocable, non-exclusive (except for Customizations), royalty-free, fully paid license to use the System Software and Work Product, including any related Documentation (“**License**”), by all Users in accordance with the scope set forth in Section 3.1.3 (Scope of License) and subject to any restrictions that may be specified herein. County’s License is to be used consistent with County’s past and current use of the System Software and Work Product, including any related Documentation, and permits expansion of the existing production version to other County sites only for uses consistent with County’s past and then-existing use.

3.1.2 Future License

Subject to the provisions of Section 3.3 (Ownership), the Contractor hereby grants to the County a perpetual (except where the license is explicitly identified as not being perpetual in Exhibit L (Third Party Products with Independent Conditions), irrevocable, non-exclusive, royalty-free, fully paid license to use the System Software and Work Product, including any related Documentation (cumulatively with the definition in Section 3.1.1 (Existing License), “**License**”), by all Users in accordance with the scope set forth in Section 3.1.3 (Scope of License) and subject to any restrictions that may be specified herein.

3.1.3 Scope of License

Subject to the terms and conditions of this Agreement, the License granted by the Contractor under this Agreement provides the County with the following rights:

- (A) To use, distribute, archive, test, modify, support, copy, install, access, interface with other software, operate, run and execute the System Software in the System environment on an unlimited number of work stations, devices, servers, local area networks and wide area networks, including web connections, by an unlimited number of Users for the business of the County, provided that the System Software and Work Product, including any related Documentation, is used in a manner that does not violate the license rights under this Agreement and is not separately commercially exploited by County. It is understood by the Parties that, in accordance with the terms of this Agreement, the County may choose to use as many or as few of the System Software components or functions as it may desire and may add or eliminate such components or functions from its implementation of the System Software at any time.

- (B) To have access to, use, modify, copy, reproduce, distribute, make derivative works of, configure, translate and compile the Source Code for the Application Software for the operation, maintenance, support, upkeep and development of derivative works upon occurrence of any Release Condition, as permitted in Section 3.6 (Source Code).
- (C) During the Term, County is entitled to receive from the Contractor Revisions, including ensuring such Revisions work with existing County System Development Requests (“SDRs”) or Application Modifications (whether such regression functionality is achieved through the Revision or by modification by Contractor of existing County SDRs or Application Modifications), at no additional cost to the County
- (D) To use, configure, modify, copy and display the Documentation, including but not limited to System and user manuals, either in hard copy or electronic form, as necessary or appropriate for the County to enjoy and exercise fully the rights granted under this Agreement and the License, provided that the Documentation is used in a manner that does not violate the license rights under this Agreement and is not separately commercially exploited by County.
- (E) All Contractor and third party trademark notices of proprietary rights, including trademark and copyright notices, must be included on any copies of the Application Software and Documentation to the extent such notices appeared on the copies of Application Software and Documentation initially furnished to County by Contractor.
- (F) To permit third party access to the Application Software and the Source Code upon occurrence of a Release Condition, together with any Documentation, as necessary or appropriate for County to enjoy and exercise fully the rights granted under this Agreement and the License, including for the provision of maintenance and support, programming modifications, enhancements, professional services or other business use or support of the System as contemplated by this Agreement.

3.1.4 Documentation

At no additional charge to the County, the Contractor shall provide or make available to the County all Documentation and other written instructions relating to the Application Software and the System, as is reasonably necessary for the County to use and take advantage of the full functionality of the Application Software.

In addition to the Documentation for Application Software, the Contractor may, during the Term, produce other Documentation for all Application Software. Such Documentation will be supplied to the County by the Contractor in a form accessible to the County (electronic or hard copy form). Such Documentation may be updated periodically by the Contractor, at no additional cost to the County, as upgrades, Revisions, or other material changes or modifications are made to the Application Software, with such updates also to be provided in electronic or hard copy formats.

The County may, at any time, reproduce copies of all Documentation and other materials provided or made available by the Contractor, distribute such copies to the County personnel or the County designees and Users of the System, and incorporate such copies into its own technical and user

manuals, provided that such reproduction relates to the County's and Users' use of the System and exercise its other License rights relating to Documentation as specified in Section 3.1.3 (Scope of License). The Contractor shall provide or make available to the County all Documentation in electronic form.

3.1.5 Legacy License

Without limiting the County's other rights set forth in this Agreement or in the Prior Agreements, upon the expiration or termination of County's rights to modify any line item of Legacy Software, Contractor hereby grants to County a perpetual, irrevocable, non-exclusive, royalty-free, fully paid license to use the Legacy Software, including any related Documentation, by all Users to view, print, save, or otherwise access the Legacy Software without modifying production data (other than configuration data). For purposes of this Section 3.1.5 (Legacy License), "**Legacy Software**" shall mean the software identified as such in Exhibit N (QuadraMed Legacy Systems). County may terminate all charges for Maintenance and Support Services for any line item of Legacy Software for any County facility upon ceasing to modify the Legacy Software in accordance with this Agreement and may continue use the Legacy Software under the license granted by this Section 3.1.5 (Legacy License).

3.2 **Revisions**

3.2.1 Software Updates

The Contractor may from time to time make material Revisions to the Application Software, including Software Updates provided pursuant to Exhibit B (Service Level Agreement). In the event of such Revisions, unless otherwise specified in and in addition to the provisions of Exhibit B (Service Level Agreement) with respect to Software Updates, (a) the Revision of the Application Software will include at least the functionality, level or quality of services that the County previously received and shall continue to comply with all of the requirements of this Agreement, including all System Requirements and the Specifications, and (b) the County shall be provided electronic notice of such changes when the product reaches general available release status. If the County's testing reveals material adverse effects on functionality or operation of the Application Software or the System, including, but not limited to, a failure to comply with the requirements of this Agreement, or compatibility with the County's technical, business or regulatory requirements, including, without limitation, hardware, software, or browser configurations, then the County may in its sole discretion reject such changes, and remain on the current Revision of the Application Software and continue to receive Maintenance and Support Services as required hereunder for the remainder of the Term. The County shall be entitled to withhold payment for Maintenance and Support Services pending demonstrated correction of the issues identified. During the Agreement Term, the County shall receive access to all new Revisions of the Application Software that the Contractor makes available to its other licensees without additional charge as provided in this Section 3.2 (Revisions) within thirty (30) days after their general availability. Notwithstanding the foregoing, the Contractor represents, warrants, covenants and agrees that throughout the Term, the Contractor shall provide Maintenance and Support Services for the current version of Application Software and the most recent Version Release of the Application Software prior to the current version.

3.2.2 Replacement Products

During the Term, all Revisions (including Displaced Products and Renamed Products) shall be provided to the County at no additional License fees or Maintenance and Support Fees beyond the fees payable

hereunder for Maintenance and Support Services, regardless of whether the Contractor charges other customers for such Revisions. During the Term, if (a) any component of the System Software is displaced in the Contractor's product line by another product ("**Displaced Product**") or (b) a product containing substantially similar functionality to a System Software component is distributed by the Contractor, under a different trade or service name, even if the product contains additional features, functionality, or other capabilities ("**Renamed Product**"), (each also a "**Replacement Product**") then the County shall receive each such Displaced Product or Renamed Product as a Revision.

3.2.3 New Software

From time to time during the Term, the Contractor may, at its sole discretion, inform the County of the existence of New Software. The County shall have, at its sole discretion, the option to license such New Software in accordance with the terms contained herein. Terms as to the cost and implementation of the New Software shall be set forth in an applicable Statement of Work.

3.3 **Ownership**

3.3.1 System Hardware

The County shall own and continue to own all System Hardware previously provided by Contractor to County under the Prior Agreements, including System Hardware identified in Exhibit C, Schedule C.4 (System Hardware Fee Schedule), and shall own all System Hardware provided by the Contractor or any of its Subcontractors during the Term.

3.3.2 System Software

All System Software provided by the Contractor to the County pursuant to this Agreement, including New Software, Revisions, and any software Third Party Products, and related Documentation, is and shall remain the property of the Contractor or any rightful third party owner.

3.3.3 System Data

All System Data that is provided or made accessible by the County to the Contractor, is generated by the System, or is the product of the System provided by the Contractor hereunder is and shall be the property of the County.

3.4 **Proprietary Considerations**

3.4.1 Work Product

Unless otherwise specifically provided in a Statement of Work or other written agreement between County and Contractor, all Work Product is the sole and exclusive property of Contractor, and Contractor retains all rights, title and interest, including intellectual property rights and all other rights, in the Work Product. As to all Work Product provided to County, Contractor hereby grants to County a perpetual, irrevocable, fully paid up, royalty free, transferrable, sub-licensable, non-exclusive right and license to use, prepare derivative works, and otherwise fully exploit in connection with County's business, the Work Product, provided that the Work Product is not separately commercially exploited by County.

During and for a minimum of five (5) years subsequent to the expiration or termination of this Agreement, the Contractor shall retain all of the Contractor's working papers prepared under this Agreement (or complete electronic copies thereof as converted by Contractor), including to the extent necessary the Work Product. The County shall have the right to inspect any and all such working papers, make copies thereof and use the working papers and the information contained therein. The Contractor shall use whatever security measures are reasonably necessary to protect all such Work Product from loss or damage by any cause, including fire and theft.

Upon request of the County, the Contractor shall execute all documents requested by the County and shall perform all other reasonable acts requested by the County to assign and transfer to, and vest in, the County all the Contractor's right, title and interest in and to the Work Product for which ownership by County is specifically provided in a Statement of Work or other written agreement between County and Contractor, including, but not limited to, all copyright, patent and trade secret rights. As to such Work Product, County shall have the right to register all copyrights and patents in the name of County of Los Angeles; all material expense of effecting such assignment and transfer of rights will be borne by the County; and County shall have the right to assign, license or otherwise transfer any and all the County's right, title and interest, including, but not limited to, copyrights and patents, in and to such Work Product.

3.4.2 Other Proprietary Rights

- (A) The Contractor represents and warrants that it has the full right and authority to grant County all rights, including but not limited to license and ownership rights, granted by this Agreement with respect to all software and hardware, as applicable, provided under this Agreement.
- (B) The Application Software, and all Documentation, is protected by applicable copyright, patent, trademark or trade secret laws. The County acknowledges that Contractor and any co-creator of the Application Software, as applicable and in accordance with this Agreement, owns all right, title and interest in and to the Application Software.
- (C) The County agrees to take any reasonable steps necessary to protect the proprietary rights of the Contractor and to avoid the infringement, direct or indirect, of such rights and to preserve the confidential and proprietary nature of the System Software and Work Product.
- (D) Should use of the Source Code involve the use or practice of any patent, copyright, trade secret, trademark or other proprietary information in which the Contractor has an interest, the Contractor, on behalf of itself and its assignees and successors, agrees not to assert a claim for patent, copyright, trade secret, trademark, or other intellectual property infringement against the County or any User, provided that use of the Application Software and its Source Code is in accordance with this Agreement.

- (E) The obligations under this Section 3.4 (Proprietary Considerations) shall survive the termination of this Agreement.

3.5 Third Party Products

In the event the Contractor provides any Third Party Products or operating software component as part of System Software to the County in connection with this Agreement, the Contractor shall obtain, at the Contractor's sole cost and expense, a fully paid-up, royalty-free, perpetual (except as specifically set forth in Exhibit L (Third Party Products with Independent Conditions), non-exclusive, transferable license for the County and the County's agents and assigns to use such third-party System Software for the County's business purposes and activities. The Contractor shall support and maintain, at no additional charge to the County, all third-party System Software in accordance with the terms of this Agreement as System Software.

In the event the Contractor provides any third-party System Software to the County in connection with this Agreement for which the Contractor is obligated to ensure that the County accepts and is bound by third-party terms and conditions ("**Third Party Products With Independent Conditions**"), the following shall apply: (a) the Contractor shall specifically identify in writing all Third Party Products With Independent Conditions in Exhibit L (Third Party Products with Independent Conditions) or the applicable Statement of Work; (b) the Contractor shall attach to Exhibit L (Third Party Products with Independent Conditions) or the applicable Statement of Work written copies of all third-party license agreements applicable to the County; and (c) the Contractor warrants that: (i) it has the right to license any Third Party Products With Independent Conditions licensed to the County under this Agreement; (ii) to the best of the Contractor's knowledge, the Third Party Products With Independent Conditions does not, and the use of the Third Party Products With Independent Conditions by the County as contemplated by this Agreement will not, infringe any intellectual property rights of any third-party; and (iii) unless specifically provided otherwise herein, the County shall have no obligation to pay any third-party any fees, royalties, or other payments for the County's use of any Third Party Products With Independent Conditions in accordance with the terms of this Agreement. Such third-party System Software shall be deemed System Software for the purpose of this Agreement. To the extent the County has agreed to the independent conditions associated with third-party System Software, and there is a conflict between the terms of this Agreement and the independent conditions, the terms of this Agreement shall control to the extent permitted by law.

Notwithstanding the foregoing, upon mutual agreement of the Parties, County may obtain its own license for any third-party System Software that may be provided by Contractor as part of the System environment, the term and scope of which shall be subject to the terms of County's agreement with the provider of such third-party System Software.

3.6 Source Code

3.6.1 Application Software

Upon the Effective Date, but no later than the date Contractor commences any Services hereunder, Contractor shall make available in a secure mode the source code for all Application Software, including but not limited to Licensed Software, New Software, Customizations, Interfaces, Revisions including Software Updates and other Application Software (hereinafter "**Source Code**"). Contractor's duty to update the Source Code shall continue throughout the Term.

3.6.2 Natural Degeneration

The Parties acknowledge that as a result of the passage of time alone, the deposited Source Code for Application Software may be susceptible to loss of quality (“**Natural Degeneration**”). Contractor shall update Source Code in connection with each Revision. In the event the Source Code or any part of it is destroyed or corrupted, upon County’s request, Contractor shall replace the Source Code with an uncorrupted copy.

3.6.3 Source Code Release

Contractor shall cause the release of the Source Code to County, and County shall have the right to immediately begin using the Source Code, at no charge to County, upon occurrence of any of the following events (hereinafter “**Release Condition(s)**”):

- (A) The insolvency of Contractor; or
- (B) Any termination of the Agreement other than County’s termination for convenience under Section 8.1 (Termination for Convenience); or
- (C) Successor ceasing to do business with County with respect to this Agreement.

County’s use of the Source Code shall be subject to the License provisions set forth in this Agreement.

3.6.4 County's Right to Verify Source Code

Regardless of whether one of the Release Conditions occurs, County shall have the right, at County’s sole expense, to request that Contractor verify the relevance, completeness, currency, accuracy, and functionality of the deposited Source Code by, among other things, compiling the Source Code and performing test runs for comparison with the System. In the event such testing demonstrates that the Source Code does not correspond to the System, Contractor shall reimburse County for all costs and fees incurred in the testing and immediately update the Source Code as appropriate.

4.0 **WORK**

In exchange for County’s payment to the Contractor of the applicable fees set forth herein, the Contractor shall (a) on a timely basis provide, complete, deliver, and implement all work set forth in this Agreement, including Exhibit A (Statement of Work) and Exhibit B (Service Level Agreement), including but not limited to components of the System, Maintenance and Support Services, and any Optional Work, (b) grant to the County a License to the System Software, as specified in Section 3.1 (License), and (c) grant to County the ownership of System Hardware, as specified in Section 3.3 (Ownership). The Contractor shall perform all such tasks, subtasks, deliverables, goods, services and other work in accordance with Exhibit A (Statement of Work) with all attachments and schedules thereto and Exhibit B (Service Level Agreement) with all attachments and schedules thereto at the applicable rates and prices specified in Exhibit C (Pricing Terms) with all attachments and schedules thereto.

4.1 **System Components**

The Contractor shall provide the License to all System Software, including New Software acquired by County under this Agreement, and any Revisions, in order to meet the System Requirements, all in accordance with the provisions of Section 3.0 (License and Intellectual Property) and the Agreement.

4.2 Maintenance and Support Services

The Contractor shall provide to the County Maintenance and Support Services relating to the maintenance and support of the System in accordance with this Agreement, including Exhibit B (Service Level Agreement). Maintenance and Support Services obligations shall commence on the Effective Date and shall continue through the Term. There shall be no additional charge to the County for on-site Maintenance and Support Services to remedy a breach of warranty, to correct a failure of the System to conform to the System Requirements or other Specifications, or to fulfill Contractor's obligations pursuant to this Section 4.2 (Maintenance and Support Services).

4.3 Optional Work

Upon the County's written request and execution of an Amendment or Change Order pursuant to the terms of this Agreement, the Contractor shall provide Optional Work, including System modifications and Professional Services, in accordance with this Section 4.3 (Optional Work) at the applicable pricing terms set forth in Exhibit C (Pricing Terms).

Upon the County's request and the Contractor's agreement to provide the Optional Work, the Contractor shall provide to the County within ten (10) business days of such request, or such longer period as agreed to by the Parties, a proposed Change Order and a quote for a not-to-exceed fixed price ("**Maximum Fixed Price**") calculated in accordance with the applicable pricing terms set forth in Exhibit C (Pricing Terms), including the Fixed Hourly Rate. The Contractor's quotation shall be valid for at least ninety (90) days from submission. The Contractor shall commence the Optional Work following agreement by the Parties with respect to such Change Order and the Maximum Fixed Price. Upon completion by the Contractor, and Approval by the County in accordance with the terms of this Agreement, of such Optional Work, Exhibit C.7 (Optional Work) shall be updated accordingly to add such items of Optional Work by Change Order executed in accordance with Section 13.0 (Changes to Agreement).

4.3.1 New Software

Upon the County's written request, the Contractor shall provide to the County New Software as part of Optional Work using Pool Dollars, in accordance with any applicable Change Order or Amendment. Any enhancements or modifications to the Application Software resulting from New Software shall be incorporated into, and become part of, the Application Software and the System.

All New Software, once Approved in writing by the County pursuant to Section 4.7 (Approval of Work), shall become part of the System Software, and shall be subject to the terms and conditions of this Agreement.

4.3.2 Professional Services

Upon the County's written request, the Contractor shall provide to the County Professional Services as part of Optional Work using Pool Dollars, including consulting services and additional training, in

accordance with any applicable Change Order. Specifically, the County may from time to time, during the Term, submit to the Contractor for Contractor's review written requests for Professional Services using Pool Dollars, including consulting services and additional training, for services not included in Maintenance and Support Services. The County may require that Professional Services be provided on a (1) fixed fee basis, (2) not to exceed basis, (3) time and materials basis, or (4) a combination of the above. In response to the County's request, the Contractor shall submit to the County for Approval a Change Order describing the particular Professional Services and providing a response consistent with the payment method required by the County to provide such Professional Services, calculated based on the Fixed Hourly Rate and other pricing terms set forth in Exhibit C (Pricing Terms) and elsewhere in the Agreement. The County and the Contractor shall agree on the Change Order developed using the Statement of Work, which shall at a minimum include the tasks and deliverables to be performed, System tests, as applicable, and the pricing for such Professional Services. Any enhancements or modifications to the Application Software or Specifications, resulting from Professional Services shall be incorporated into, and become part of, the Licensed Software or Specifications, as applicable. Any Services provided to the County through the SDR process must be effectuated by an Amendment or Change Order, as applicable, pursuant to the terms of this Agreement for Optional Work. Any Maintenance and Support Fees associated with the SDR Services shall also be set forth by such Amendment or Change Order, including Maintenance and Support Fees for enhancements or modifications to the Application Software or Specifications. Any Professional Services that are accepted and Approved in writing by the County shall become a part of the Services, and any products of Professional Services, once accepted and Approved in writing by the County, shall become part of the System, and shall be subject to the terms and conditions of this Agreement.

4.4 Standard of Services

The Contractor's services and other work required by this Agreement shall during the Term conform to reasonable commercial standards as they exist in the Contractor's profession or field of practice. If the Contractor's services and other work provided under this Agreement fail to conform to such standards, upon notice from the County specifying the failure of performance, the Contractor shall, at the Contractor's sole expense, provide the applicable remedy as specified in this Agreement, including Exhibit A (Statement of Work) and Exhibit B (Service Level Agreement). In addition to any other remedies set forth herein, the Contractor shall, at its own expense, correct any data in which (and to the extent that) errors have been caused by the Contractor or malfunctions or Deficiencies of the Software or Services, or by any other tools introduced by the Contractor into the System for the purpose of performing services or other work under this Agreement or otherwise.

4.5 Testing of Work

The Contractor shall conduct all appropriate testing of the System before providing any work hereunder, including Optional Work, to ensure (i) the System's continued compliance with all System Requirements and other Specifications set forth in the Agreement, (ii) that the System is free of any deficiencies, and (iii) that the Optional Work meets the requirements of the applicable Change Order. The County will be required to participate in System testing as set forth in Exhibit A (Statement of Work), and the System tests set forth in this Section 4.5 (Testing of Work) shall include tests of, among others, the System's functionality, integration, and user acceptance. Interface testing and volume endurance testing is the responsibility of the County.

4.6 Integration/Interfacing

From time to time, the Contractor may be responsible for developing and incorporating modifications to Application Software ("**Application Modifications**"), including New Software additional Interfaces and Customizations, into the System in the form of Optional Work. If such Application Modifications are to be integrated/interfaced with other software, equipment, or systems provided by the Contractor or at the direction of the Contractor, the Application Modifications shall not be deemed Accepted by the County until the Application Modifications and such other systems have been successfully integrated/interfaced and accepted by the County in accordance with the terms of this Agreement. For example, if the Contractor is to provide a system consisting of multiple modules or that includes enhancements to the system as part of the Optional Work, the County's acceptance of the system, any individual module or enhancement shall not be final until the County accepts all Application Modifications and modules or enhancements integrated/interfaced together as a complete system, including the operation of the system on all equipment required for its use in conformance with the terms of this Agreement. The Contractor shall not obtain any ownership interest in any other systems merely because they were interfaced, integrated or used with the System.

4.7 Approval of Work

All tasks, subtasks, deliverables, Services, and other work provided by Contractor under this Agreement must have the written Approval of the County's Project Director or designee prior to submission of an invoice. Such Approval will not be withheld or delayed by the County in bad faith and without a written articulation of the issues giving rise to the County withholding its Approval. In no event shall the County be liable or responsible for any payment prior to such written Approval. Furthermore, the County reserves the right to reject any Services or Work not Approved by the County.

If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.8 Time is of the Essence

Time is of the essence with regard to Contractor's performance of the Services.

4.9 No Offshore Work

All Services shall be performed and rendered within the continental United States. In particular, the Contractor warrants that it will not transmit or make available any County Confidential Information, County's intellectual property or any County property to any entity or individual outside the continental United States.

4.10 Interfering Acts

Except as otherwise provided in Section 25.3 (Force Majeure), in the event of Contractor's non-performance of a specific obligation, Contractor shall be excused from its responsibility to perform such obligation under this Agreement if and only to the extent such non-performance of the specific obligation is caused primarily by (a) County's material breach of its obligations under the Agreement, or (b) an act or omission of County that is Finally Determined to prevent or significantly impair Contractor's ability to perform the obligation (collectively, "**Interfering Acts**"). Upon the occurrence of acts or

omissions by County in breach of County's performance obligations under the Agreement which have been determined by Contractor to be likely to adversely impact its ability to deliver or meet such specific obligation, Contractor shall promptly, but in no event longer than five (5) days after Contractor knew or should have known of the occurrence, advise the County Project Director and the County Project Manager of such occurrence in writing and identify the reason for Contractor's inability to perform its obligation as a result of County's failure to perform its obligations under this Agreement. Nothing in the foregoing shall (i) relieve Contractor of any portion of liability Finally Determined by a court to be Contractor's liability arising from a breach of contract claim as to such failure to perform, (ii) preclude County from asserting such failure by Contractor to perform an obligation under this Agreement as a basis for County to terminate the Agreement for cause if subsequently discovered facts demonstrate the failure was not caused by County's failure to perform its obligations under this Agreement, or (iii) preclude County from asserting such failure by Contractor to perform an obligation under this Agreement as a basis for County to terminate the Agreement for cause if Contractor's conduct, not caused by County's failure to perform its obligations under this Agreement, contributing to the failure is determined to be one of numerous breaches of its duties or obligations under the Agreement which in the aggregate are material.

5.0 TERM OF AGREEMENT

5.1 Initial Agreement Term

The term of this Agreement shall commence upon the Effective Date and shall continue to December 31, 2022, unless sooner terminated or extended, in whole or in part, as provided in this Agreement (hereinafter "**Initial Term**").

5.2 Extended Agreement Term

At the end of the Initial Term, the County may, at its sole option, extend this Agreement for up to two (2) additional one (1) year periods (hereinafter "**Extended Term**," and together with the Initial Term the "**Term**") in each case by an Amendment to the Agreement executed by the Health Agency Director or his designee and the Contractor's authorized representative(s) in accordance with Section 13.1 (Amendments), subject to, among others, the County's right to terminate earlier for convenience, non-appropriation of funds, default of Contractor, substandard performance of Contractor, non-responsibility of Contractor, and any other term or condition of the Agreement providing for early termination of the Agreement by the County. If the County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, as applicable, the remaining option(s) shall automatically lapse.

Each option to exercise the County's right to extend the Agreement shall be exercised at the sole discretion of the Health Agency Director as authorized by the Board of Supervisors.

5.3 Contractor Alert Reporting Database

The County maintains databases that track and monitor Contractor's performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.

5.4 Notice of Expiration

The Contractor shall notify County when this Agreement is within six (6) months from the expiration of the Initial Term, the first renewal period of the Extended Term (a “**Renewal Term**”), and each additional Renewal Term. Upon occurrence of this event, the Contractor shall send written notification to the County at the address herein provided in Section 2 (County’s Administration) of Exhibit E (Administration of Agreement).

6.0 AGREEMENT SUM

6.1 Maximum Agreement Sum

The Maximum Agreement Sum under this Agreement shall be the total monetary amount payable by the County to the Contractor for supplying all the tasks, subtasks, deliverables, goods, Services, and other work required or requested by the County under and during the Term. If the County does not Approve the work in writing, no payment shall be due to the Contractor for those Services. The Maximum Agreement Sum, including all applicable taxes and Pool Dollars, authorized by the County hereunder shall not exceed Forty-Three Million Five Hundred Twenty-Five Thousand Five Hundred Fifty-One Dollars (\$43,525,551) as further detailed in Exhibit C (Pricing Terms) and all related Schedules, unless the Maximum Agreement Sum is modified pursuant to a duly Approved Amendment to this Agreement by the County’s and the Contractor’s authorized representative(s) pursuant to Section 13.0 (Changes to Agreement). The Maximum Agreement Sum under this Agreement shall cover the authorized payments for all elements of the System, including Maintenance and Support Services and any Optional Work. The Maximum Agreement Sum shall not be adjusted for any costs or expenses whatsoever of the Contractor.

The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total Agreement authorization under this Agreement. Upon occurrence of this event, the Contractor shall send written notification to the County’s Project Director at the address herein provided in Section 2 (County’s Administration) of Exhibit E (Administration of Agreement).

6.2 No Payment for Services Provided Following Expiration/Termination

The Contractor shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Agreement. Should the Contractor receive any such payment, it shall immediately notify the County and shall immediately repay all such funds to the County. Payment by the County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the County’s right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Agreement.

6.3 Invoices and Payments

6.3.1 The Contractor shall invoice the County in arrears only for providing the Services specified in Exhibit A (Statement of Work) and elsewhere in this Agreement. The Contractor shall prepare invoices, which shall include the charges owed to the Contractor by the County under the terms of this Agreement, and shall include supporting documentation (including identification of the specific work for which payment is claimed; copies of fully executed acceptance certificates evidencing

County's Project Director's Approval of such work and the payment amount; indication of any applicable holdback amounts and the cumulative holdback amounts accrued under this Agreement; indication of any credits or withholds accrued under this Agreement; and any other supporting documentation reasonably requested by County's Project Director). The Contractor's payments shall be as provided in Exhibit C (Pricing Terms) and all related Schedules, and the Contractor shall be paid only for the Services Approved in writing by the County. The making of any payment or payments by County, or receipt thereof by the Contractor, shall in no way affect the responsibility of Contractor to furnish the Services in accordance with this Agreement, and shall not imply acceptance by the County of such items or the waiver of any warranties or requirements of this Agreement. The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein.

6.3.2 The Contractor's invoices shall be priced in accordance with Exhibit C (Pricing Terms) and all related Schedules.

6.3.3 The Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) describing the tasks, deliverables, good, Services, work hours, and other work for which payment is claimed.

6.3.4 The Contractor shall submit the monthly invoices to the County by the fifteenth (15th) calendar day of the month following the month of service.

6.3.5 Unless otherwise set forth in the applicable Change Order or Amendment, Contractor shall invoice the County for SDRs in two (2) payments. When the specifications for an SDR are Approved by County and submitted to Contractor, the County will be invoiced thirty percent (30%) of the total one-time cost for such SDR. Thirty (30) days after obtaining County Approval of Contractor's full delivery and performance of the applicable Change Order or Amendment for the SDR, Contractor will invoice County for the remaining seventy percent (70%) of the one-time fees for such SDR. At this time, Contractor's Maintenance and Support Services will also be initiated. County shall have the option to terminate any Services associated with recurring fees for any SDR in accordance with the terms of this Agreement.

6.3.6 All invoices under this Agreement shall be submitted electronically to the designated County mailbox and to the person designated in Section 2 (County's Administration) of Exhibit E (Administration of Agreement) at the address specified in such Section 2 (County's Administration) of Exhibit E (Administration of Agreement).

6.4 County Approval of Invoices

All invoices submitted by the Contractor for payment must have the written Approval of the County's Project Director and must be contain all information as required by County's Project Director prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written Approval. Approval for payment will not be unreasonably withheld and in the event of a rejection or failure to Approve, County will provide its reasons in writing to Contractor.

6.5 Invoice Discrepancies

The County's Project Director will review each invoice for any discrepancies and will, within thirty (30) days of receipt thereof, notify Contractor in writing of any discrepancies found upon such review and submit a list of disputed charges. Contractor shall review the disputed charges and send a written explanation detailing the basis for the charges within thirty (30) days of receipt of County's notice of discrepancies and disputed charges. If the County's Project Director does not receive a written explanation for the charges within such thirty (30) day period, Contractor shall be deemed to have waived its right to justify the original invoice amount, and County, in its sole discretion, exercised in good faith, shall determine the amount due, if any, to Contractor and pay such amount in satisfaction of the disputed invoice, subject to the Dispute Resolution Procedure in Section 24.0 (Dispute Resolution Procedure).

The making of any payment or payments by County, or the receipt thereof by Contractor, shall in no way affect the responsibility of Contractor to furnish the System and Services in accordance with this Agreement, and shall not imply acceptance by County of such items or the waiver of any warranties or requirements of this Agreement.

6.6 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the Term provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Agreement, then such lower prices shall be immediately extended to the County.

6.7 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Agreement correspondingly for that fiscal year and any subsequent fiscal year during the Term (including any extensions), and the Services to be provided by the Contractor under this Agreement shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor shall continue to provide all of the Services set forth in this Agreement.

6.8 Record Retention and Inspection/Audit Settlement

6.8.1 The Contractor shall maintain, and provide upon request by County, accurate and complete financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Agreement.

6.8.2 The Contractor agrees that the County, or its authorized representatives, shall have the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Agreement, and Contractor will provide the County with access to any such records as applicable. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by

the Contractor and shall be made available to the County during the Term and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor electronically.

6.8.3 In the event that an audit of the Contractor is conducted specifically regarding this Agreement by any federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, including audit conducted by the Medicare and Medi-Cal programs, then the Contractor shall file a copy of such audit report, including Service Organization Controls (SOC1) Reports, with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable federal or State law or under this Agreement. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

6.8.4 Failure on the part of the Contractor to comply with any of the provisions of this Section 6.8 (Record Retention and Inspection/Audit Settlement) shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.

6.8.5 If, at any time during the Term or within five (5) years after the expiration or termination of this Agreement, representatives of the County conduct an audit of the Contractor regarding the work performed under this Agreement, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: (a) repaid by the Contractor to the County by cash payment upon demand; or (b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Agreement or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Agreement exceed the Maximum Agreement Sum or the funds appropriated by the County for the purpose of this Agreement.

6.9 Taxes

The Maximum Agreement Sum shown in Section 6.1 (Maximum Agreement Sum) shall be deemed to include all amounts necessary for the County to reimburse Contractor for all applicable California and other state and local sales and use taxes on the System provided by Contractor to County pursuant to or otherwise due as a result of this Agreement, including, but not limited to, the product of Maintenance and Support Services and any Optional Work, to the extent applicable. All California sales and use taxes shall be paid directly by Contractor to the State or other taxing authority. Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless County from, any and all such California and other state and local sales and use taxes. Further, Contractor shall be solely liable and responsible for, and shall indemnify, defend, and hold harmless County from, all applicable California and other state and local sales and use tax on all other items provided by Contractor pursuant to this Agreement and shall pay such tax directly to the State or other taxing authority. In addition, Contractor shall be solely responsible for all taxes based on Contractor's income or gross revenue, or personal property taxes levied or assessed on Contractor's personal property to which County does not hold title.

6.10 County's Right to Withhold Payment

In addition to, and cumulative to all other remedies in law, at equity and provided under this Agreement, in the event Contractor is in material default of its duties or obligations under this Agreement and it fails to cure the default within thirty (30) days after receipt of written notice of default from County, County may, without waiving any other rights under this Agreement, elect to withhold from the payments due to Contractor under this Agreement during the period beginning with the thirty-first (31st) day after Contractor's receipt of notice of default, and ending on the date that the default has been cured to the reasonable satisfaction of County, an amount that is in proportion to the magnitude of the default or the Service that Contractor is not providing, to the reasonable satisfaction of County. Upon curing of the default by Contractor, County will cause the withheld payments to be paid to Contractor, without interest. In the event it is Finally Determined that County has withheld a payment in bad faith, such payment shall promptly be paid to Contractor, plus interest at the maximum legal rate.

6.11 Travel and Living Expenses

In the event reimbursement of travel, meal, lodging, and incidental expenses are authorized by County in connection with any Optional Work provided by Contractor hereunder, such expenses shall be subject to, and shall not exceed, the expenditure limits set forth for County personnel in the then current Chapter 5.40 (Travel and Other Expenses) of the Los Angeles County Code, and as updated from time to time by the Los Angeles County Auditor-Controller. County will provide Contractor's Project Director with Los Angeles County Auditor-Controller updates prior to the effective date of such changes. In the event travel, meal, lodging or incidental expenses are associated with the provision of Optional Work, such expenses shall be included in the agreed upon not-to-exceed fixed price for such Optional Work. Contractor will provide all invoices, receipts, and other documentation reasonably needed to support the request for reimbursement.

7.0 REPRESENTATIONS AND WARRANTIES

7.1 Authorization Warranty

The Contractor represents and warrants that the person executing this Agreement for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Agreement and that all requirements of the Contractor have been fulfilled to provide such actual authority.

7.2 Performance of Service

The Services will be performed and the deliverables developed and provided in a professional, competent and timely manner by appropriately qualified Contractor personnel in accordance with this Agreement and consistent with Contractor's best practices. Furthermore, Contractor shall comply with the description and representations (including, but not limited to, deliverable documentation, performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions and requirements applicable to professional software design meeting industry standards) set forth in this Agreement, including but not limited to Exhibit A (Statement of Work) including all attachments and schedules thereto and Exhibit B (Service Level Agreement) including all attachments and schedules thereto.

7.3 Conformance to Specifications

The System, all the Services, including Maintenance and Support Services, and other Services shall conform to the Specifications and System Requirements set forth in this Agreement without material deviations for the period commencing upon the Effective Date of the Agreement and continuing through the expiration or termination of Maintenance and Support Services. Contractor shall institute quality controls, including suitable testing procedures if any, to ensure that the System, Services, including Maintenance and Support Services, and other work comply with the Specifications and Service Levels. Upon the County's reasonable request, the County shall have the right to review Contractor's quality controls as they relate to the Services. There is no existing pattern or repetition of customer complaints regarding the System, Services, or other work, including functionality or performance issues, and that Contractor's engineers have not currently identified any repeating adverse impact on the System, deliverables, or Services, including functionality or performance, for which the root cause is believed to be a flaw or defect in the System, Services, or other work.

7.4 Service Levels

7.4.1 Contractor represents and warrants that when operated in conformance with the terms of this Agreement, the System and Services (as applicable) shall achieve the service levels ("**Service Levels**") set forth in Exhibit B (Service Level Agreement), Exhibit A (Statement of Work), any executed Change Order and in this Agreement, as applicable. Furthermore, the service level of Maintenance and Support Services shall not degrade during the Term.

7.4.2 The System shall meet the System performance requirements within Contractor's control, including but not limited to those relating to System response time and, as further specified in Exhibit B (Service Level Agreement) with all attachments and schedules thereto. A Service Level Failure arising under Section 2 (Maintenance and Support Services) of Exhibit B (Service Level Agreement) may be deemed Severity Level 1 or Severity Level 2, as determined by County's Project Director or designee, for the purpose of determining the applicable required Deficiency resolution time and County remedies.

7.5 System Warranties

Contractor hereby warrants to County that the System shall be free from any and all Deficiencies through the Term. All Deficiencies reported or discovered shall be corrected in accordance with Exhibit B (Service Level Agreement). During any applicable warranty period, Contractor shall correct all Deficiencies at no cost to County.

Contractor also represents, warrants, covenants and agrees that throughout the Term:

7.5.1 The System components are capable of interconnecting and interfacing with each other and County systems, either through integration or, as applicable, industry standard interface protocols (including, whenever applicable, HL7), and when taken together, the System components and County systems (assuming County systems are operating properly) will be capable of delivering the functionality needed by County to meet its information systems requirements as set forth in this Agreement, System Requirements and other Specifications and any applicable Statement of Work. The System must be interoperable at the time it is provided to County and at all times thereafter during the Term.

7.5.2 Contractor warrants that the System Software and Interfaces may be operated on similarly configured hardware that meets Contractor-approved system hardware and may be acquired by County to replace the System Hardware on the same hardware platform.

7.6 Disabling Device

Contractor represents and warrants that Contractor shall not intentionally cause any unplanned interruption of the operations of, or accessibility to the System or any component through any device, method or means including, without limitation, the use of any “virus”, “lockup”, “time bomb”, or “key lock”, “worm”, “back door” or “Trojan Horse” device or program, or any disabling code, which has the potential or capability of compromising the security of County Confidential Information or of causing any unplanned interruption of the operations of, or accessibility of the System or any component to County or any user or which could alter, destroy, or inhibit the use of the System or any component, or the data contained therein (collectively, “**Disabling Device(s)**”), which could block access to or prevent the use of the System or any component by County or Users. Contractor represents, warrants, and agrees that it has not purposely placed, nor is it aware of, any Disabling Device in any System component provided to County under this Agreement, nor shall Contractor knowingly permit any subsequently delivered or provided System component to contain any Disabling Device. In addition, Contractor shall prevent viruses from being incorporated or introduced into the System or Revisions thereto prior to the installation onto the System and shall prevent any viruses from being incorporated or introduced in the process of Contractor’s performance of on-line support.

7.7 Pending Litigation

There is no pending or threatened litigation that would have a material adverse impact on its performance under the Agreement. In addition, Contractor also represents and warrants that based on pending actions, claims, disputes, or other information, Contractor has no knowledge of a failure of the System to perform in accordance with the Specifications.

7.8 Assignment of Warranties

To the extent permissible under the applicable third party agreements, Contractor hereby assigns and agrees to deliver to County all representations and warranties received by Contractor from its third-party licensors and suppliers, including hardware vendors.

7.9 Non-Infringement Warranties

Contractor represents and warrants: (i) that Contractor has the full power and authority to grant the License, ownership where ownership is specifically provided for in a Statement of Work or other written agreement between County and Contractor, and all other rights granted by this Agreement to County; (ii) that no consent of any other person or entity is required by Contractor to grant such rights other than consents that have been obtained and are in effect; (iii) that County is entitled to use the System without interruption, subject only to County’s obligation to make the required payments and observe the License terms under this Agreement; (iv) that this Agreement and the System licensed or acquired herein, are neither subject to any liens, encumbrances, or pledges nor subordinate to any right or claim of any third party, including Contractor’s creditors; (v) that during the Term, Contractor shall not subordinate this Agreement or any of its rights hereunder to any third party without the prior written consent of County, and without providing in such subordination instrument for non-disturbance of

County's use of the System (or any part thereof) in accordance with this Agreement; and (vi) that neither the performance of this Agreement by Contractor, nor the License to or ownership by (where ownership is specifically provided for in a Statement of Work or other written agreement between County and Contractor), and use by County Users of the System in accordance with this Agreement, will in any way violate any non-disclosure agreement, nor constitute any infringement or other violation of any copyright, trade secret, trademark, service mark, patent, invention, proprietary information, or other rights of any third party.

7.10 Continuous Product Support

7.10.1 In the event that Contractor replaces any or all components of the System Software with a Replacement Product during the Term in order to fulfill its obligations under the Agreement or to meet the System Requirements, then the License shall be deemed to automatically include such Replacement Product without cost or penalty to County even if such Replacement Product contains greater functionality than the System Software it replaced. If required by County, Contractor shall provide the necessary training to County personnel to utilize the Replacement Product at no cost to County.

7.10.2 In the event any or all components of the System Software are migrated to the Replacement Product as a result of an acquisition, sale, assignment, transfer or other change in control of Contractor, then any assignee or successor, by taking benefit (including, without limitation, acceptance of any payment under this Agreement), shall be deemed to have ratified this Agreement. All terms and conditions of this Agreement shall continue in full force and effect for the Replacement Product.

7.10.3 The following terms and conditions shall apply if County elects to transfer the License to a Replacement Product:

- (A) Contractor, or its assignee or successor, shall, at no cost to County, implement the Replacement Product in the System environment to replace the Application Software, convert and migrate all of the System data from the System Software format to the Replacement Product format to ensure production use of such Replacement Product;
- (B) Any prepaid Maintenance and Support Fees, or other recurring fees for the System shall transfer in full force and effect for the balance of the Replacement Product's maintenance and support term (or equivalent service) at no additional cost. If the prepaid amount is greater than the Replacement Product's equivalent fees for the same term, the credit balance shall be applied to future Maintenance and Support Fees, or other recurring fees, as applicable, or returned to County at County's option;
- (C) Any and all modules offered separately and needed to match the original Software's level of functionality shall be supplied by Contractor, or its assignee or successor, without additional cost or penalty, and shall not affect the calculation of any Maintenance and Support Fees, or other recurring fees;

- (D) Contractor shall provide to County the necessary training for purposes of learning the Replacement Product replacing the System Software. Such training shall be provided at no cost to County;
- (E) All License terms and conditions, at a minimum, shall remain as granted herein with no additional fees imposed on County; and
- (F) The definition of System Software and Application Software shall include the Replacement Product.

7.11 Warranty Pass-Through

To the extent permissible under the applicable warranty terms, Contractor shall assign to County to the fullest extent permitted by law or by this Agreement, and shall otherwise ensure that the benefits of any applicable warranty or indemnity offered by any manufacturer of any System component or any other product or service provided hereunder shall fully extend to and be enjoyed by County.

7.12 Remedies and Breach of Warranty

County's remedies under the Agreement for the breach of the warranties set forth in this Agreement will include, but not be limited to, the repair or replacement by Contractor, at its own expense, of the non-conforming System, the specific remedies set forth in Exhibit B (Service Level Agreement) and other corrective measures afforded to County by Contractor under such Exhibit B (Service Level Agreement) and this Agreement, including assessment of Service Level Credits.

Failure by Contractor to timely perform its obligations set forth in this Section 7.0 (Representations and Warranties) shall constitute a material breach, upon which, in addition to County's other rights and remedies set forth herein, County may, after written notice to Contractor and provision of a reasonable cure period, terminate this Agreement in accordance with Section 8.2 (Termination for Default).

7.13 Disclaimer of Warranties

Contractor disclaims all other warranties, expressed or implied, written or oral, in connection with the Licensed Software, including without limitation any implied warranties of title, merchantability or fitness for a particular purpose. Contractor expressly disclaims any warranty or representation to any person other than County with respect to the Licensed Software or any part of it. This Agreement is not intended to confer any rights to any third party beneficiary, and only Contractor and County have the right to enforce any of the terms herein.

8.0 TERMINATION

8.1 Termination for Convenience

8.1.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective.

The date upon which such termination becomes effective shall be no less than sixty (60) days after the notice is sent. Notwithstanding the foregoing, in the event County terminates the Agreement in its entirety under this Section 8.8.1, County shall provide not less than one hundred eighty (180) days' notice of termination to Contractor.

8.1.2 After receipt of a notice of termination, and except as otherwise directed in the notice of termination by County, Contractor shall:

- (A) Stop work under this Agreement on the date and to the extent specified as to the specific Services that are being terminated in such notice, provided Contractor must comply with any transition obligations provided in the Agreement; and
- (B) Complete performance of such part of the work as shall not have been terminated by such notice.

8.1.3 All material including books, records, document, or other evidence bearing on the costs and expenses of the Contractor under this Agreement shall be maintained by the Contractor in accordance with Section 6.8 (Record and Retention and Inspection/Audit Settlement).

8.2 Termination for Default

8.2.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Agreement, if:

- (A) Contractor has materially breached this Agreement; or
- (B) Contractor fails to provide results in the agreed timeline or satisfactorily perform any task, service, or other work required either under this Agreement; the ability for County to provide required staff resources, access, and decisions cannot be the reason for delays or, Contractor fails to provide in accordance with any plan, timeline, or requirement or satisfactorily perform any task, service, or other work required either under this Agreement (except as caused by any Interfering Acts); or
- (C) Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement, or of any obligations of this Agreement, and in either case, fails to demonstrate convincing progress toward a cure within ten (10) business days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.2.2 In the event that the County terminates this Agreement in whole or in part as provided in this Section 8.2 (Termination for Default), the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the

performance of this Agreement to the extent not terminated under the provision of this Section 8.2 (Termination for Default).

8.2.3 Except with respect to defaults of any Subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Section 8.2 (Termination for Default) if its failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used herein, the term “**Subcontractor(s)**” means subcontractor(s) of Contractor at any tier that perform any Services in connection with this Agreement.

8.2.4 If, after the County has given notice of termination under the provisions of this Section 8.2 (Termination for Default), it is determined by the County that the Contractor was not in default under the provisions of this Section 8.2 (Termination for Default), or that the default was excusable under the provisions of Section 8.2 (Termination for Default), the rights and obligations of the Parties shall be the same as if the notice of termination had been issued pursuant to Section 8.1 (Termination for Convenience).

8.2.5 The rights and remedies of the County provided in this Section 8.2 (Termination for Default) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.3 Termination for Improper Consideration

8.3.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment, or extension of this Agreement or the making of any determinations with respect to the Contractor’s performance pursuant to this Agreement. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.3.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Fraud Hotline at (800) 544-6861 or www.lacountyfraud.org.

8.3.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.4 Termination for Insolvency

8.4.1 The County may terminate this Agreement forthwith in the event of the occurrence of any of the following:

- (A) Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- (B) The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- (C) The appointment of a Receiver or Trustee for the Contractor; or
- (D) The execution by the Contractor of a general assignment for the benefit of creditors.

8.4.2 The rights and remedies of the County provided in this Section 8.4 (Termination for Insolvency) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

8.5 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Agreement, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Agreement during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Agreement in the County's budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.6 Termination for Regulatory Non-Compliance

In the event Contractor's relationship with County under this Agreement is identified in writing by any regulator (including any governmental body or accreditation/certification organization (e.g., Joint Commission) having jurisdiction over County, to present a risk to County or its customers that requires correction, County shall notify Contractor of such identification. In the event the Parties are unable for any reason through reasonable efforts to resolve the identified issue(s) to the satisfaction of the relevant regulator within the timeframe mandated by the regulator, County may terminate this Agreement for convenience and without obligation to pay any termination fee or penalty to Contractor.

8.7 Effect of Termination

8.7.1 In the event County terminates this Agreement in whole or in part as provided hereunder or upon the expiration of the Agreement, as applicable, then, unless otherwise specified by County in writing:

- (A) Contractor shall continue the performance of this Agreement to the extent not terminated.
- (B) Contractor shall cease provision of all Services being terminated on the date and to the extent specified in such notice and provide to County all completed work and work in progress, in a media reasonably requested by County, if applicable.
- (C) County will pay to Contractor all sums due and payable to Contractor for work properly provided through the effective date of such expiration or termination (prorated as appropriate).
- (D) Contractor shall return to County all monies paid by County, yet unearned by Contractor, excluding the monies paid for any unused period of prepaid Maintenance and Support Fees for the System Hardware, if applicable.
- (E) In the case of expiration or termination of the Agreement as a whole, (a) any portion of the work that has not been completed shall be deemed terminated in accordance with this Section 8.0 (Termination) as of the effective date of such termination, and (b) the term of Maintenance and Support Services shall be deemed terminated.
- (F) Contractor shall (a) promptly return to County any and all of the County's Confidential Information that relates to the portion of the Agreement or work terminated by County, including all County Data, in a media reasonably requested by County, and (b) destroy all such Confidential Information, County materials and other County Data as required in and in accordance with the requirements of this Agreement;
- (G) County shall have the rights set forth in Sections 3.1 (License) and 3.6 (Source Code) to access and use the Source Code as set forth therein, including without limitation the right to modify all Source Code and object code versions of the Application Software after such time as one of the Release Conditions described in Section 3.6.3 (Source Code Release) has occurred which would permit County to use the Source Code. The County may only use and modify the Source Code for its business use in accordance with the terms of this Agreement.

8.7.2 Expiration or termination of this Agreement for any reason will not release either Party from any liabilities or obligations set forth in this Agreement which (i) the Parties have expressly agreed in writing will survive any such expiration or termination, or (ii) remain to be performed or by their nature would be intended to be applicable following any such expiration or termination.

8.7.3 Contractor understands and agrees that County has obligations that it cannot satisfy without use of the System provided to County hereunder or an equivalent system, and that a failure to satisfy such obligations could result in irreparable damage to County and the entities it serves. Therefore, Contractor agrees that in the event of any expiration or termination of this Agreement, Contractor shall fully cooperate with County in the transition of County to a new system, toward the end that there be no interruption of County's day to day operations due to the unavailability of the System during such transition, as provided in Section 8.8 (Transition Services).

8.8 Transition Services

8.8.1 Contractor shall assist the County in transitioning from the System by providing Transition Services, as provided below.

8.8.2 Upon the expiration or termination of this Agreement, County may require Contractor to provide services in the form of Optional Work to assist County to transition System operations from Contractor to County or County's designated third party ("**Transition Services**"). Upon County's request for Transition Services, County and Contractor agree to negotiate in good faith the scope of work and the price for such Transition Services. Only to the extent Transition Services require Contractor to perform tasks not included in the Services, and unless County and Contractor have specifically agreed upon a plan for Transition Services (the "**Transition Services Plan**") prior to the time of termination, the rights of County upon any termination shall be as set forth in this Section 8.8 (Transition Services). If a Transition Services Plan has been agreed to, then the rights of County upon any expiration or termination of this Agreement shall be as set forth in the most recent applicable Approved Transition Services Plan, and also as set forth in this Section 8.8 (Transition Services). In the event of any inconsistency between this Section 8.8 (Transition Services) and the applicable Approved Transition Services Plan, this Section 8.8 (Transition Services) shall govern. If no Transition Services Plan has been agreed to by the Parties at the time of any expiration or termination of this Agreement, then Contractor shall continue to perform the Services under the Agreement, at performance standards and Service Levels in effect at the time of termination or expiration, as well as the termination Transition Services, which Services shall be provided as set forth in this Section 8.8 (Transition Services). Contractor shall provide County with all of the Services and all of the Transition Services as provided in this Section 8.8 (Transition Services) or in the then most recent applicable Approved Transition Services Plan, if any.

8.8.3 Contractor will (a) meet with County within fifteen (15) calendar days after a notice of termination or notice of a decision to not extend this Agreement has been given to discuss any potential modifications to the then most current applicable Approved Transition Services Plan, if any, (b) use all commercially reasonable efforts to assist County in effecting Transition Services provided by Contractor hereunder to County or another vendor chosen by County, in accordance with Contractor's best practices, and (c) in accordance with this Section 8.8 (Transition Services), be compensated for Transition Services and costs by payment by County in accordance with the rates set forth in the applicable Approved Transition Services Plan, if any, or this Agreement. The rates for Transition Services in any Transition Services Plan shall not be higher than those specified in the Agreement. Contractor will provide Transition Services for a period defined in the Transition Services Plan, if any, but in no event for a period of more than twelve (12) months after the expiration or termination of this Agreement.

8.8.4 Contractor agrees that in the event that County terminates the Agreement for any breach by Contractor in accordance with the terms of this Agreement, Contractor shall perform

all needed Transition Services at no cost to County. In the event of termination for default based on a breach by Contractor, the value of Transition Services provided to County, based on the most recent prices applicable under the Agreement to similar services, will be applied in mitigation of any damages that may be awarded.

8.8.5 Contractor shall provide County with all of the Transition Services as provided in this Section 8.8 (Transition Services). The duty of Contractor to provide such Transition Services shall be conditioned on County continuing to comply with its obligations under the Agreement, including payment of all applicable fees. Contractor shall have no right to withhold or limit its performance or any of such Transition Services on the basis of any alleged breach of this Agreement by County, other than a failure by County to timely pay the amounts due and payable hereunder. County shall have the right to seek specific performance of this Section 8.8 (Transition Services) in any court of competent jurisdiction, and Contractor hereby waives any defense that damages are an adequate remedy. Compliance with this Section 8.8 (Transition Services) by either Party shall not constitute a waiver or estoppel with regard to any rights or remedies available to the Parties.

9.0 ADMINISTRATION OF AGREEMENT – COUNTY

The Health Agency Director shall have the authority to administer this Agreement on behalf of the County. The Health Agency Director retains oversight of professional and administrative responsibility for the Services rendered under this Agreement. A listing of all County Administration referenced in the following Sections are designated in Section 2 (County's Administration) of Exhibit E (Administration of Agreement). The County shall notify the Contractor in writing of any change in the names or addresses shown.

9.1 County's Project Director

Responsibilities of the County's Project Director include:

- (A) ensuring that the objectives of this Agreement are met; and
- (B) providing direction to the Contractor in the areas relating to County policy, information requirements, and procedural requirements.

9.2 County's Project Manager

The responsibilities of the County's Project Manager include:

- (A) meeting with the Contractor's Project Manager on a regular basis;
- (B) inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor; and
- (C) overseeing the day-to-day administration of this Agreement.

The County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

10.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR

10.1 Contractor's Project Director

10.1.1 The Contractor's Project Director is designated in Section 1 (Contractor's Administration) of Exhibit E (Administration of Agreement). The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Director.

10.1.2 The Contractor's Project Director shall be responsible for the Contractor's activities as related to this Agreement and shall coordinate with County's Project Director and County's Project Manager on a regular basis.

10.2 Contractor's Project Manager

10.2.1 The Contractor's Project Manager is designated in Section 1 (Contractor's Administration) of Exhibit E (Administration of Agreement). The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

10.2.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this Agreement and shall coordinate with County's Project Director and County's Project Manager on a regular basis.

10.2.3 The Contractor's Project Manager must have five (5) years of experience.

10.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove of any Contractor staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Project Manager.

10.4 Contractor's Staff Identification

10.4.1 All of Contractor's employees assigned to County facilities are required to have a County Identification (ID) badge on their person and visible at all times. The Contractor bears all expense of the badging.

10.4.2 Contractor is responsible to ensure that employees have obtained a County ID badge before they are assigned to work in a County facility. Contractor personnel may be asked to leave a County facility by a County representative if they do not have the proper County ID badge on their person.

10.4.3 Contractor shall notify the County within one (1) business day when staff is removed from working under this Agreement. Contractor shall retrieve and return an employee's County ID badge to the County within five (5) business days after the employee has been removed from working under this Agreement.

10.4.4 If County requests the removal of Contractor's staff, Contractor shall retrieve and return an employee's County ID badge to the County on the next business day after the employee has been removed from working on the Agreement.

10.5 Background and Security Investigations

10.5.1 At the discretion of the County, all Contractor staff performing work under this Agreement may be required to undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing to work under this Agreement. County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The County shall perform the background check.

10.5.2 The County may request that the Contractor's staff be immediately removed from performing Services under this Agreement at any time during the Term. The County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.

10.5.3 The County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) or whose background or conduct is, in the opinion of the County, incompatible with County facility access.

10.5.4 Disqualification of any member of Contractor's staff pursuant to this Section 10.5 (Background and Security Investigations) shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

10.6 Employment Eligibility Verification

10.6.1 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 Agreement meet the citizenship or alien status requirements set forth in federal and State 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 and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or 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 law.

10.6.2 The Contractor shall indemnify, defend, 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 Agreement.

11.0 REPORTS, MEETINGS, AND GOVERNANCE

11.1 Reports

The Contractor's Project Manager and County's Project Manager shall communicate at least once every one (1) week (the "**Status Report**") about the work in progress. The communications shall include a conference call or an in-person meeting as mutually agreed upon (the "**Status Meeting**") and a report from the appropriate Contractor personnel regarding:

- (A) Period covered by the report;
- (B) Summary of project status as of reporting date;
- (C) New issues, if any;
- (D) Issues to be resolved;
- (E) Issues resolved;
- (F) Updates on knowledge transfer, training, education, and validated effectiveness;
- (G) Decision made and decisions pending during the reporting period;
- (H) Risk management;
- (I) Lessons learned; and
- (J) Any other information that County or Contractor may, from time-to-time, reasonably request in writing that Contractor or County, as the case may be, may deem appropriate.

11.2 Alert Reports

Contractor shall promptly notify County in writing (i.e., e-mail or facsimile transmission) on becoming aware of any change or problem that would negatively impact completion or performance of the Licensed Software, System, Third Party Products, Services or deliverables, the progress of tasks assigned under a Statement of Work, or any Schedule in a Statement of Work. The written notice shall include a detailed description of the relevant change or problem shall be provided to the County's Project Director.

11.3 Executive Team Participation

To ensure a direct line of communication between County's and Contractor's executive management team, which team shall include the Contractor's Executive Vice President, the County's Health Agency Chief Information Officer ("**Health Agency CIO**"), County's Project Director, or their designees, shall have a scheduled meeting, once every six (6) months. The Health Agency CIO or County's Project Director shall prepare a written agenda for the meeting, to include specific topics to be discussed at the meeting, including background with regard to issues that have previously been raised with Contractor's personnel, and shall provide the agenda to Contractor no later than one (1) week day prior to the scheduled meeting. The meeting may occur in person or by telephone/video as agreed upon by the Health Agency CIO or County's Project Director and Contractor's Executive Vice President. Notwithstanding the foregoing, more frequent meetings may occur in the event that the Health Agency CIO or County's Project Director identifies emergent issues which require resolution prior to the next regularly scheduled quarterly meeting. Issues discussed at a meeting that are unresolved will be escalated by the Contractor immediately to the President of Harris Healthcare, and the President of Harris Healthcare will respond directly to the Health Agency CIO within ten (10) business days.

12.0 CONFIDENTIALITY AND SECURITY

12.1 Confidentiality

12.1.1 Confidential Information Defined

Except as provided in Section 12.1.2 (Exclusions) below, each Party agrees that all information supplied by one Party and its affiliates and agents (collectively, the “**Disclosing Party**”) to the other Party (“**Receiving Party**”), including, without limitation, (a) source code, prices, trade secrets, mask works, databases, designs and techniques, models, displays and manuals; (b) any unpublished information concerning research activities and plans, marketing or sales plans, sales forecasts or results of marketing efforts, pricing or pricing strategies, costs, operational techniques, or strategic plans, and unpublished financial information, including information concerning revenues, profits, and profit margins; (c) any information relating to County’s customers, patients, business partners, or personnel; (d) Personal Data; and (e) Protected Health Information, will be deemed confidential and proprietary to the Disclosing Party, regardless of whether such information was disclosed intentionally or unintentionally or marked as “confidential” or “proprietary” (“**Confidential Information**”). The foregoing definition shall also include any Confidential Information provided by either Party’s contractors, subcontractors, agents, or vendors. Subject to the licenses provided by Contractor to County and the other terms set forth in this Agreement (e.g. a Statement of Work specifically setting forth other ownership rights), all Contractor Confidential Information shall be and remain the property of Contractor, and Contractor shall retain exclusive rights and ownership thereto.

12.1.2 Exclusions

Confidential Information will not include any information or material, or any element thereof, whether or not such information or material is Confidential Information for the purposes of this Agreement, to the extent any such information or material, or any element thereof: (a) has previously become or is generally known, unless it has become generally known through a breach of this Agreement or a similar confidentiality or non-disclosure agreement, obligation, or duty; (b) was already rightfully known to the Receiving Party prior to being disclosed by or obtained from the Disclosing Party as evidenced by written records kept in the ordinary course of business or by proof of actual use by the Receiving Party; (c) has been or is hereafter rightfully received by the Receiving Party from a third-party (other than the Disclosing Party) without restriction or disclosure and without breach of a duty of confidentiality to the Disclosing Party; or (d) has been independently developed by the Receiving Party without access to Confidential Information of the Disclosing Party. It will be presumed that any Confidential Information in a Receiving Party’s possession is not within exceptions (b), (c) or (d) above, and the burden will be upon the Receiving Party to prove otherwise by records and documentation.

12.1.3 Treatment of Confidential Information

Each Party recognizes the importance of the other Party’s Confidential Information. In particular, each Party recognizes and agrees that the Confidential Information of the other is critical to their respective businesses and that neither Party would enter into this Agreement without assurance that such information and the value thereof will be protected as provided in this Section 12.1 (Confidentiality) and elsewhere in this Agreement. Accordingly, each Party agrees as follows: (a) the Receiving Party will hold any and all Confidential Information it obtains in strictest confidence and will use and permit use of Confidential Information solely for the purposes of this Agreement. Without limiting the foregoing, the Receiving Party shall use at least the same degree of care, but no less than reasonable care, to avoid disclosure or use of this Confidential Information as the Receiving Party employs with respect to its own Confidential Information of a like importance; (b) the Receiving Party may disclose or provide access to its responsible employees, agents, and consultants who have a need to know and may make copies of

Confidential Information only to the extent reasonably necessary to carry out its obligations hereunder; and (c) the Receiving Party currently has, and in the future will maintain in effect and enforce, rules and policies to protect against access to or use or disclosure of Confidential Information other than in accordance with this Agreement, including without limitation written instruction to and agreements with employees, agents, or consultants who are bound by an obligation of confidentiality no less restrictive than set forth in this Agreement to ensure that such employees, agents, and consultants protect the confidentiality of Confidential Information, including this Section 12.1 (Confidentiality). The Receiving Party will require its employees, agents, and consultants not to disclose Confidential Information to third-parties, including without limitation customers, subcontractors, or consultants, without the Disclosing Party's prior written consent, will notify the Disclosing Party immediately of any unauthorized disclosure or use, and will cooperate with the Disclosing Party to protect all proprietary rights in and ownership of its Confidential Information.

12.1.4 Non-Exclusive Equitable Remedy

Each Party acknowledges and agrees that due to the unique nature of Confidential Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach or threatened breach may result in irreparable harm to such Party, and therefore, that upon any such breach or any threat thereof, each Party will be entitled to seek appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies either of them might have at law or equity. Any breach of this Section 12.1 (Confidentiality) shall constitute a material breach of this Agreement and be grounds for immediate termination of this Agreement in the exclusive discretion of the non-breaching Party.

12.1.5 Personal Data

"Personal Data" shall mean any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personal Data shall include, but not be limited to, all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act (15 United States Code ("**U.S.C.**") §6801 et seq.), Protected Health Information as defined under HIPAA and regulations promulgated thereunder, including 45 C.F.R. 160 and 164, and "Personal Data" as that term is defined in EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data.

In connection with this Agreement and performance of the Services, Contractor may be provided or obtain, from County or otherwise, Personal Data pertaining to County's current and prospective personnel, directors and officers, agents, subcontractors, investors, patients, and customers and may need to process such Personal Data or transfer it, all subject to the restrictions set forth in this Agreement and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the Services.

12.1.6 Treatment of Personal Data

Without limiting any other warranty or obligation specified in this Agreement, and in particular the confidentiality provisions of this Section 12.1 (Confidentiality), during the Term and thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personal Data in

any manner (except as required by applicable law, rule and regulation, provided that Contractor notifies County of the applicable requirement to retain data and the data it is retaining) and will not disclose, distribute, sell, share, rent, or otherwise transfer any Personal Data to any third-party, except as expressly required to perform its obligations in this Agreement or as Contractor may be expressly directed in advance in writing by County. Contractor represents and warrants that Contractor will use and Process Personal Data only in compliance with (a) this Agreement, and (b) all applicable local, state, and federal laws and regulations (including, but not limited to, current laws and regulations as they may be amended relating to spamming, privacy, confidentiality, data security, and consumer protection).

12.1.7 Retention of Personal Data

Contractor will not retain any Personal Data for any period longer than necessary for Contractor to fulfill its obligations under this Agreement. As soon as Contractor no longer needs to retain such Personal Data in order to perform its duties under this Agreement, Contractor will promptly return or destroy or erase all originals and copies of such Personal Data.

12.1.8 Compelled Disclosures

To the extent required by applicable law or by lawful order or requirement of a court or governmental authority having competent jurisdiction over the Receiving Party, the Receiving Party may disclose Confidential Information in accordance with such law or order or requirement, subject to the following conditions: (A) as soon as possible after becoming aware of such law, order, or requirement and prior to disclosing Confidential Information pursuant thereto, the Receiving Party will so notify the Disclosing Party in writing and, if possible, the Receiving Party will provide the Disclosing Party notice not less than five (5) business days prior to the required disclosure; (B) the Receiving Party will use reasonable efforts not to release Confidential Information pending the outcome of any measures taken by the Disclosing Party to contest, otherwise oppose, or seek to limit such disclosure by the Receiving Party and any subsequent disclosure or use of Confidential Information that may result from such disclosure; and (C) the Receiving Party will cooperate with and provide assistance to the Disclosing Party regarding such measures. Notwithstanding any such compelled disclosure by the Receiving Party, such compelled disclosure will not otherwise affect the Receiving Party's obligations hereunder with respect to Confidential Information so disclosed.

12.1.9 Health Insurance Portability and Accountability Act of 1996 (HIPAA)

County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through d-8 and as amended from time to time ("**HIPAA**"), and 42 U.S.C. § 290dd-2. Under this Agreement, Contractor provides services to County and Contractor receives, has access to, or creates Protected Health Information and confidential substance abuse patient records in order to provide those services. Contractor acknowledges and agrees that all patient records and Protected Health Information shall be subject to the confidentiality and disclosure provisions of HIPAA, HITECH Act, ARRA, 42 U.S.C. § 290dd-2, and the regulations promulgated thereunder by the U.S. Department of Health and Human Services, including the Standards for Privacy of Individually Identifiable Health Information and the Security Standards for Electronic Protected Health Information at 45 Code of Federal Regulations ("**C.F.R.**"), parts 142, 160, and 164, as the same may be amended from time to time, 42 C.F.R. Part 2 (Confidentiality of Alcohol and Drug Abuse Patient Records regulations or "**Part 2 Regulations**"), as the same may be amended from time to time, and any other applicable federal and state laws (including California Civil Code Sections 56.00 et. seq. (the

Confidentiality of Medical Information Act) and California Health and Safety Code 1280.15) (collectively, the “**Privacy and Security Laws**”) and shall maintain the confidentiality of all such records and information and otherwise comply in accordance with such laws. The Parties further agree and shall abide by the provisions of Exhibit H (Business Associate Agreement) hereto, including all obligations therein with respect to information subject to HIPAA. Should County amend Exhibit H (Business Associate Agreement) as is necessary to comply with the requirements of the Privacy and Security Laws, County will execute an Amendment in accordance with Section 13.1 (Amendments), which shall replace Exhibit H (Business Associate Agreement) with the updated Business Associate Agreement.

12.1.10 County Data

All County Data shall be and remain the property of County and County shall retain exclusive rights and ownership thereto. County Data shall not be used by Contractor for any purpose other than as required under this Agreement, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of, to third-parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.

12.1.11 Return of Confidential Information

On County’s written request or upon expiration or termination of this Agreement for any reason, Contractor will promptly: (a) return or destroy, at County’s option, all originals and copies of all documents and materials it has received containing County’s Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Agreement; and (c) deliver or destroy, at County’s option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 12.1.11(a), and provide a notarized written statement to County certifying that all documents and materials referred to in Subsections 12.1.11(a) and (b) have been delivered to County or destroyed, as requested by County.

12.2 **Security**

12.2.1 System Security

Notwithstanding anything to the contrary herein, Contractor shall provide all Services utilizing security technologies and techniques in accordance with the industry standards, Contractor’s best practices, and applicable County security policies, procedures, and requirements provided by County to Contractor in advance of such Services and in writing or otherwise as required by law, including those relating to the prevention and detection of fraud or other inappropriate use or access of systems and networks. In no event shall Contractor’s actions or inaction result in any situation that is less secure than the security that Contractor then provides for its own systems and data.

12.2.2 System Data Security

Contractor hereby acknowledges the right of privacy of all persons whose information is stored in the System data or any other County Data. With respect to the Software and Services provided to County by Contractor, Contractor shall protect, secure and keep confidential all System data in compliance with all

applicable federal, state, and local laws, rules, regulations, ordinances, and publicly known guidelines and directives, relating to confidentiality and information security (including any breach of the security of the System, such as any unauthorized acquisition of System data that compromises the security, confidentiality or integrity of personal information). Further, Contractor shall take all reasonable actions necessary or in accordance with industry standards to protect all System data in its possession, custody or control from loss or damage by any cause, including fire, theft or other catastrophe. In addition, if requested by County's Project Director, Contractor shall provide notification to all persons whose unencrypted Personal Data was, or is reasonably believed to have been, acquired by any unauthorized person, and the content, method and timing of such notification shall be subject to the prior Approval of County's Project Director. Contractor shall not use System data for any purpose or reason other than to fulfill its obligations under this Agreement.

12.3 Data Encryption

Contractor and Subcontractors that electronically transmit or store Personal Information (hereinafter "PI"), Protected Health Information (hereinafter "PHI"), or Medical Information (hereinafter "MI") shall comply with the encryption standards set forth below as required by the Board of Supervisors Policy Number 5.200 (hereinafter "Policy"). PI is defined in California Civil Code Section 1798.29(g); PHI is defined in HIPAA and implementing regulations; and MI is defined in California Civil Code Section 56.05(j).

12.3.1 Stored Data

Contractor's and Subcontractors' workstations and portable devices (e.g., mobile wearables, tablets, thumb drives, external hard drives) require encryption (i.e. software or hardware) in accordance with: (a) Federal Information Processing Standard Publication ("FIPS") 140-2; (b) National Institute of Standards and Technology ("NIST") Special Publication 800-57 Recommendation for Key Management – Part 1: General (Revision 3); (c) NIST Special Publication 800-57 Recommendation for Key Management – Part 2: Best Practices for Key Management Organization; and (d) NIST Special Publication 800-111 Guide to Storage Encryption Technologies for End User Devices. Advanced Encryption Standard ("AES") with cipher strength of 256-bit is minimally required.

12.3.2 Transmitted Data

All transmitted (e.g. network) County PI, PHI or MI require encryption in accordance with: (a) NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations; and (b) NIST Special Publication 800-57 Recommendation for Key Management – Part 3: Application-Specific Key Management Guidance. Secure Sockets Layer ("SSL") is minimally required with minimum cipher strength of 128-bit.

12.3.3 Compliance

Upon the Effective Date of the Agreement, but in no event later than within ten (10) business days of County's request, Contractor (for itself and any Subcontractors) shall certify its compliance with the Policy encryption standards set forth above for the Term by submitting a completed and signed form set forth in Schedule B.1 (Data Encryption Certification) of Exhibit B (Service Level Agreement) prior to being awarded the Agreement by the Board of Supervisors. In addition to the foregoing, Contractor shall maintain a copy of any validation or attestation reports that its data encryption product(s) generate, and

such reports shall be subject to audit in accordance with the Agreement. Failure on the part of the Contractor to comply with any of the provisions of this Section 12.3 (Data Encryption) shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.

12.4 Data Destruction

Contractors of the County that have maintained, processed, or stored County Data or information, implied or expressed, have the sole responsibility to certify that the data and information in its possession, custody, or control have been appropriately destroyed consistent with NIST Special Publication SP 800-88, titled *Guidelines for Media Sanitization*. More information is available at: <http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88> Rev.%201

The data or information may be stored on purchased, leased, or rented electronic storage equipment (e.g. printers, hard drives, etc.) and electronic devices (e.g. servers, workstations, etc.) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days a signed document from Contractor that certifies and validates that the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Contractor shall certify that any County Confidential Information stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, or workstations are destroyed consistent with the current NIST Special Publication SP-800-88, *Guidelines for Media Sanitization*. Contractor shall provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all County Confidential Information was destroyed and is unusable, unreadable, or undecipherable.

12.5 Destructive Mechanisms

The System, Services, including Maintenance and Support Services, and deliverables do not contain, and Contractor shall not insert into the System or any deliverables or Services, including Maintenance and Support Services, any Destructive Mechanisms. Contractor shall not invoke such Destructive Mechanisms at any time, including upon expiration or termination of this Agreement for any reason. Except if and to the extent expressly necessary for performance of Maintenance and Support Services or any other servicing or support expressly authorized in writing by County, in no event shall Contractor or anyone acting on its behalf, disable or interfere, in whole or in part, with County's use of the System or any software, hardware, systems or data owned, utilized, or held by County without the written permission of the Health Agency Director, whether or not the disablement is in connection with any dispute between the Parties or otherwise. Contractor understands and acknowledges that a breach of this Section 12.5 (Destructive Mechanism) could cause substantial harm to County and to numerous third parties having business relationships with County. No limitation of liability, whether contractual or statutory, will apply to a breach of this Section 12.5 (Destructive Mechanism).

12.6 Remedies

Contractor acknowledges that a breach by Contractor of this Section 12.0 (Confidentiality and Security) may result in irreparable injury to County that may not be adequately compensated by monetary damages and that, in addition to County's other rights under this Section 12.0 (Confidentiality and Security) and at law and in equity, County shall have the right to seek injunctive relief to enforce the

provisions of this Section 12.0 (Confidentiality and Security). The provisions of this Section 12.0 (Confidentiality and Security) shall survive the expiration of termination of this Agreement.

Contractor shall take all reasonable actions necessary or in accordance with the standard of care to protect the System from loss or damage arising from its acts or omissions. Contractor shall bear the full risk of loss or damage to the System and any System data by any cause arising from its acts or omissions.

13.0 CHANGES TO AGREEMENT

13.1 Amendments

13.1.1 No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures set forth in this Section 13.0 (Changes to Agreement). County reserves the right to change any portion of the Services required under this Agreement and to change any other provisions of this Agreement. All such changes shall be accomplished only as provided in this Section 13.0 (Changes to Agreement).

13.1.2 Except as otherwise provided in this Agreement, for any change which affects the scope of work, term, Maximum Agreement Sum, payments, or any term or condition included under this Agreement, an Amendment shall be prepared, agreed to and executed by the Contractor and by the Board of Supervisors or its authorized designee.

13.1.3 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition or change of certain terms and conditions in the Agreement during the Term. The County reserves the right to add or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such changes, an Amendment to the Agreement shall be prepared, agreed to, and executed by the Contractor and by Contractor's authorized representative(s).

13.1.4 Notwithstanding the foregoing provisions of this Section 13.1 (Amendments), the Health Agency Director, may at his/her sole discretion, authorize extensions of time as defined in Section 5.0 (Term of Agreement). The Contractor agrees that such extensions of time shall not change any other term or condition of this Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Agreement shall be prepared and executed by the County and by Contractor's authorized representative(s).

13.2 Change Notice

For any change which is clerical or administrative in nature or does not affect any term or condition of this Agreement, a written change notice ("**Change Notice**") may be prepared and executed by the Health Agency Director or designee.

13.3 Change Order

13.3.1 County is specifically authorized to execute Change Orders for expenditure of Pool Dollars for acquisition of Optional Work under the Agreement.

13.3.2 For any Optional Work requested by County, which requires Contractor to incur any additional costs or expenses using Pool Dollars up to One Hundred Fifty Thousand Dollars (\$150,000), a written change order (“**Change Order**”), using the template provided in Schedule A.1 (Change Order Template) of Exhibit A (Statement of Work) may be prepared and executed by the County’s Project Director and the Contractor’s Project Director.

13.3.3 For any Optional Work requested by County, which requires Contractor to incur any additional costs or expenses using Pool Dollars in excess of One Hundred Fifty Thousand Dollars (\$150,000), a written Change Order, using the template provided in Schedule A.1 (Change Order Template) of Exhibit A (Statement of Work) may be prepared and executed by the Health Agency Director or designee and the Contractor’s Project Director.

13.3.4 County’s Project Manager shall provide copies of executed Change Orders for the expenditure of Pool Dollars for the acquisition of Optional Work to the Los Angeles County Department of Health Services Contracts and Grants Division quarterly and shall maintain the balance of Pool Dollars.

13.4 System Development Requests

Pursuant to Section 4.3.2 (Professional Services) of this Agreement, any Services provided by Contractor to the County through a SDR, including Maintenance and Support Fees associated with the SDR, must be effectuated by an Amendment or Change Order prepared and executed in accordance with Section 13.1 (Amendments) or Section 13.3 (Change Order) of this Agreement, as applicable. Unless otherwise specified in the applicable Change Order or Amendment, Contractor shall invoice the County for SDRs in two (2) payments in accordance with Section 6.3.5 of this Agreement.

14.0 SUBCONTRACTING

14.1 County acknowledges and agrees that certain Services set forth in the initial Statement of Work and related Schedules attached to this Agreement shall be performed by Nuance, SIS, LTech and Quality IT and hereby consents to Contractor’s use of the above Subcontractors. Additional Subcontractors may be used as needed if Approved by County in accordance with the terms of this Agreement.

14.2

The requirements of this Agreement may not be subcontracted by the Contractor without the advance written Approval of the County. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Agreement.

14.3 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County’s request:

- (A) A description of the work to be performed by the Subcontractor;
- (B) Executed Subcontractor Agreement substantially similar to Exhibit M (Form Subcontractor Agreement); and
- (C) Other pertinent information and certifications requested by the County.

14.4 The Contractor shall indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

14.5 The Contractor shall remain fully responsible for all performances required of it under this Agreement, including those that the Contractor has determined to subcontract, notwithstanding the County's Approval of the Contractor's proposed subcontract.

14.6 The County's consent to subcontract shall not waive the County's right to disapproval of any and all personnel, including Subcontractor employees, providing Services under this Agreement. The Contractor is responsible to notify its Subcontractors of this County right.

14.7 The Health Agency Director or his/her designee is authorized to act for and on behalf of the County with respect to Approval of any subcontract and Subcontractor employees. After Approval of the subcontract by the County, Contractor shall forward a fully executed subcontract to the County for its files.

14.8 The Contractor shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through Services performed hereunder, notwithstanding the County's consent to subcontract.

14.9 The Contractor shall obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the County from each approved Subcontractor. The Contractor shall ensure delivery of all such documents to the address set forth in Section 2 (County's Administration) of Exhibit E (Administration of Agreement) before any Subcontractor employee may perform any work hereunder.

14.10 Notwithstanding any other provision of this Section 14.0 (Subcontracting), the provisions of Sections 14.1, 14.2, and 14.3(b) shall not apply to any Subcontractor who meets the following criteria with respect to all Services provided by such Subcontractor in connection with this Agreement:

- (A) the Subcontractor does not fill a position of any key personnel (as determined in the sole judgment of County's Project Director);
- (B) the Subcontractor does not provide more than Fifty Thousand Dollars (\$50,000) in aggregate Services in any twelve (12) month period;
- (C) the Subcontractor has been advised by Contractor of Subcontractor's obligation to comply with the requirements and guidelines applicable to Subcontractors as set forth in this Agreement; and
- (D) Contractor has provided Subcontractor with a document setting forth the texts of Exhibits A (Specified Additional Terms and Conditions), D (Confidentiality and Assignment Agreement), and E (Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")) to Exhibit M (Form Subcontractor Agreement) to this Agreement, which together shall be executed by such

Subcontractor and Contractor along with the following language and provided by Contractor to County's Project Director:

"Notwithstanding any other provision of the written subcontract agreement between _____ ("Subcontractor") and QuadraMed Affinity Corporation ("Contractor"), (hereafter "Subcontract") the Subcontract is made in reference to the Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services Agreement, Agreement No. H-707298 between the County of Los Angeles ("County") and Contractor (together with all exhibits and attachments, all as amended from time to time in accordance with the terms and conditions thereof, the "Prime Agreement"), and is a subcontract under the terms of the Prime Agreement, and all representations and warranties in the Subcontract shall inure to the benefit of County. All compensation to Subcontractor under the Subcontract shall be paid by Contractor, and Contractor shall be solely liable and responsible for any and all payments and other compensation to Subcontractor and its officers, employees, and agents. County shall have no liability or responsibility whatsoever for any payment or other compensation for Subcontractor or its officers, employees, and agents. Without limitation of the foregoing, Subcontractor disclaims any right to seek any payment from County for any and all compensation or recovery of any of its costs, or to assert any lien against County, its assets or rights in the System or any element thereof, on account thereof. Subcontractor agrees and represents and warrants that: (a) Contractor shall be solely liable and responsible to Subcontractor for payment of any and all payments and other compensation due under this Agreement; (b) Subcontractor is qualified to perform the work for which Subcontractor has been hired; (c) Subcontractor shall be solely liable and responsible for any and all of its taxes, payments and other compensation due, including compensation to its employees and agents, arising out of Subcontractor's performance of the subcontracted work; and (d) Subcontractor has been provided with and agrees to be bound by all text of the Prime Agreement applicable to Exhibits A (Specified Additional Terms and Conditions), D (Confidentiality and Assignment Agreement), and E (Business Associate Agreement under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")), which are attached hereto and are incorporated herein by reference."

In addition, in the case of any such Subcontractor whose personnel may be present on any County premises, Contractor shall assure that: (i) any Subcontractor personnel disapproved by County is immediately removed from County premises and is thereafter excluded from returning to any County premises in furtherance of this Agreement; and (ii) any other action reasonably requested by County with respect to such Subcontractor personnel is taken. County shall not be liable or responsible in any way to Contractor, to any Subcontractor, or to any officers, employees, or agents of Contractor or any Subcontractor, for any claims, demands, damages, liabilities, losses, costs, or expenses, including, but not limited to, defense costs and legal, accounting, and other expert, consulting or professional fees, in any way arising from or related to County's exercise of such rights.

15.0 ASSIGNMENT AND DELEGATION

15.1 The Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County which consent shall not be unreasonably withheld. Any attempted assignment or delegation without such consent shall be null and void. For purposes of this Section 15.0 (Assignment and Delegation), the County consent shall require a written amendment to the Agreement, which is formally Approved and executed by the Parties. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

15.2 Shareholders, partners, members, or other equity holders of the Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring written notice from Contractor to County in accordance with applicable provisions of this Agreement.

15.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written Approval, which shall not unreasonably be withheld, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

16.0 COMPLIANCE WITH APPLICABLE LAWS, RULES, AND REGULATIONS

16.1 In the performance of this Agreement, the Contractor shall comply with all current and applicable federal, state, and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, including, but not limited to industry standards. All provisions required thereby to be included in this Agreement are incorporated herein by reference.

16.2 The Contractor shall indemnify, defend, and hold harmless the County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, administrative penalties and fines assessed, costs, and expenses, including, without limitation, defense costs and legal, accounting, and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures. Any legal defense pursuant to Contractor's indemnification obligations under this Section 16.0 (Compliance with Applicable Laws, Rules, and Regulations) shall be conducted by the Contractor and performed by counsel selected by the Contractor and Approved by the County. Notwithstanding the preceding sentence, the County shall have the right to participate in any such defense at its sole cost and expense, except that in the event the Contractor fails to provide the County with a full and adequate defense, as determined by the County in its sole judgment, the County shall be entitled to retain its own counsel and reimbursement from Contractor for all such costs and expenses incurred by the County in doing so the Contractor shall not have the right to enter into any settlement, agree to any

injunction or other equitable relief, or make any admission, in each case, on behalf of the County without the County's prior written Approval.

17.0 COMPLAINTS

The Contractor shall develop, maintain and operate procedures for receiving, investigating, and responding to complaints related to Contractor's obligations or performance under this Agreement.

17.1 Within twenty (20) business days after Agreement Effective Date, the Contractor shall provide the County with the Contractor's policy for receiving, investigating, and responding to user complaints.

17.2 The County will review the Contractor's policy and provide the Contractor with Approval of said plan or with requested changes.

17.3 If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days for County Approval.

17.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the County for Approval before implementation.

17.5 The Contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within ten (10) business days of receiving the complaint.

17.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

17.7 Copies of all written responses shall be sent to the County's Project Manager within ten (10) business days of mailing the complaint to the complainant.

18.0 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Agreement terms and conditions and performance standards. The Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate contractor performance database. The report to the Board will include improvement and corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Agreement or impose other penalties as specified in this Agreement.

19.0 DISCLOSURE OF INFORMATION

19.1 Publicity

19.1.1 The Contractor shall not disclose any details in connection with this Agreement to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Agreement within the following conditions:

- (A) The Contractor shall develop all publicity material in a professional manner; and
- (B) During the Term, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.

19.1.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Section 19.1 (Publicity) shall apply.

19.2 Public Records Act

19.2.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Section 6.8 (Record Retention and Inspection/Audit Settlement) of this Agreement; as well as any documents that may have been submitted in response to a solicitation process for this Agreement, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

19.2.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

20.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

20.1 Responsible Contractor

A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible contractors.

20.2 Chapter 2.202 of the Los Angeles County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if the County acquires information concerning the performance of the Contractor on this or other

contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing Agreements the Contractor may have with the County.

20.3 Non-responsible Contractor

The County may debar Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County; (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness, or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the County or any other public entity.

20.4 Contractor Hearing Board

20.4.1 If there is evidence that the Contractor may be subject to debarment, the Health Agency will notify the Contractor in writing of the evidence, which is the basis for the proposed debarment, and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

20.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Health Agency shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

20.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

20.4.4 If Contractor has been debarred for a period longer than five (5) years, Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.

20.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where: (1) the Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in

writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

20.4.6 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

20.4.7 Subcontractors of Contractor

These terms shall also apply to Subcontractors of Contractor.

21.0 INDEMNIFICATION

21.1 General Indemnification

The Contractor shall indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents, and volunteers ("**County and its Agents**") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or relating to Contractor's or its Subcontractors' acts or omissions under this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County and its Agents.

21.2 Intellectual Property Indemnification

21.2.1 Notwithstanding any provision to the contrary, whether expressly or by implication, Contractor shall indemnify, hold harmless, and defend County and its Agents from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, defense costs and legal, accounting, and other expert, consulting, or professional fees, and attorney's fees, as such are incurred, for or by reason of any actual or alleged infringement of any third party's patent, copyright, or other intellectual property right, or any actual or alleged unauthorized trade secret disclosure or misappropriation, arising from or related to the County's use of the System including all Licensed Software, Third Party Products, Services, Background Intellectual Property, Work Product, or deliverables (collectively, the "**Indemnified Items**") (collectively referred to for purposes of this Section 21.2 (Intellectual Property Indemnification) as "**Infringement Claim(s)**"), provided that the Indemnified Item has not been altered, revised, or modified by County in a manner that causes the alleged infringement. Notwithstanding the foregoing, Contractor shall have no indemnity obligation for infringement claims arising from (A) the development of custom software code required by County and based on specifications provided by County unless Contractor has actual knowledge of the potential for infringement and fails to disclose same to the County; (B) use of the Indemnified Items in excess of the rights granted hereunder; or (C) County's failure to implement an update or enhancement to the Indemnified Items, provided Contractor provides the update or enhancement at no additional charge to

County and provides County with written notice that implementing the update or enhancement would avoid the infringement. Any legal defense pursuant to Contractor's indemnification obligations under this Section 21.2 (Intellectual Property Indemnification) shall be conducted by Contractor and performed by counsel selected by Contractor. Notwithstanding the foregoing, County shall have the right to participate in any such defense at its sole cost and expense.

21.2.2 County shall notify Contractor, in writing, as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure. If any Indemnified Item hereunder becomes the subject of an Infringement Claim under Section 21.2 (Intellectual Property Indemnification), or in the County's judgment, supported by an opinion of qualified intellectual property counsel that there is a reasonable risk of County having its access and use of the System impaired as a result of a pending or threatened Infringement Claim, prior to adjudication of the claim, then, in addition to defending the claim and paying any damages and attorneys' fees as required above in Section 21.2 (Intellectual Property Indemnification), Contractor shall, at its option and in its sole discretion and at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the Indemnified Items or affected component(s) thereof, or part(s) thereof, pursuant to this Agreement; or (ii) replace or modify the Indemnified Items or component(s) thereof with another software, service, item, or component(s) thereof of at least equivalent quality and performance capabilities, in County's determination, such that the Indemnified Items and all components thereof become non-infringing, non-misappropriating, and non-disclosing (hereinafter collectively for the purpose of this Section 21.2 (Intellectual Property Indemnification), "**Remedial Act(s)**").

21.2.3 If Contractor fails to complete the Remedial Acts described in Section 21.2.2 above within forty-five (45) days of the determination by County that its use and access will be impaired as above, or immediately following Final Determination of the claim (and such time has not been extended by County in writing), then County shall have the right to terminate this Agreement with regard to the infringing Indemnified Items for default pursuant to Section 8.2 (Termination for Default).

21.2.4 The procedures and remedies set forth in this Section 21.2 (Intellectual Property Indemnification) will be the exclusive remedy for intellectual property infringement arising from a claim of a third party.

21.3 Direct Damages

The Parties agree that the following costs and damages, if incurred by either Party, shall be deemed direct damages, and neither Party shall assert, and each is estopped from asserting, that they are special, indirect, incidental, consequential, or exemplary damages; lost profits; or other damages for which recovery is excluded:

- (A) In the event any County Data is destroyed, damaged, or lost as a result of the acts or inactions of Contractor, Contractor shall be responsible for the cost to repair or recreate such County Data and the costs of reloading data from last available back-up;
- (B) Costs of performing work-arounds regarding a Service failure (e.g. a Deficiency);
- (C) Costs of replacing lost, stolen, or damaged goods or materials for which a Party is liable; and

- (D) Replacement costs for which Contractor may be liable under Section 8.2.2 of this Agreement.

The Parties acknowledge that by defining the foregoing as direct damages, they are not precluding the recovery of other damages that may be determined by a court to be direct damages.

22.0 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE AND PERFORMANCE SECURITY

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 22.0 (General Provisions for All Insurance Coverage and Performance Security) and 23.0 (Insurance Coverage) of this Agreement. These minimum insurance coverage terms, types, and limits (the "**Required Insurance**") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

22.1 Evidence of Coverage and Notice to County

- (A) Certificate(s) of insurance coverage ("**Certificate**") on a standard ACORD form validated by County, and a copy of an additional insured endorsement confirming the County and its Agents has been given additional insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- (B) Renewal Certificates shall be provided to County not less than thirty (30) days prior to Contractor's policy expiration dates.
- (C) Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding Fifty Thousand Dollars (\$50,000), and list any County required endorsement forms.
- (D) Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and its insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to the address set forth in Section 2 (County's Administration) of Exhibit E (Administration of Agreement).

The Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to the Contractor. The Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Subcontractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor or County.

22.2 Additional Insured Status and Scope of Coverage

County and its Agents shall be provided additional insured status under the Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. The County and its Agents' additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

22.3 Cancellation of or Changes in Insurance

The Contractor shall provide the County with, or the Contractor's insurance policies shall contain a provision that the County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least thirty (30) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

22.4 Failure to Maintain Insurance

The Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which the County immediately may withhold payments due to the Contractor, or suspend or terminate this Agreement.

22.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise Approved by the County.

22.6 Contractor's Insurance Shall Be Primary

The Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to the Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

22.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effectuate such waiver.

22.8 Sub-Contractor Insurance Coverage Requirements

The Contractor shall include all Subcontractors as insureds under the Contractor's own policies, or shall provide the County with each Subcontractor's separate evidence of insurance coverage. The Contractor shall be responsible for verifying each Subcontractor complies with the Required Insurance provisions herein, and shall require that each Subcontractor name the County and Contractor as additional insureds on the Subcontractor's General Liability policy. Contractor shall obtain County's prior review and Approval of any Subcontractor request for modification of the Required Insurance.

22.9 Deductibles and Self-Insured Retentions (SIRs)

The Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require the Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

22.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the Effective Date of this Agreement. The Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

22.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

22.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard Insurance Services Office, Inc. ("ISO") separation of insureds provision with no insured versus insured exclusions or limitations.

22.13 Alternative Risk Financing Programs

The County reserves the right to review, and then Approve, the Contractor's use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the

Required Insurance provisions. The County and its Agents shall be designated as an additional covered party under any approved program.

22.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

22.15 Failure to Maintain Insurance or Performance Security

The Contractor's failure to maintain, or to provide acceptable evidence that it maintains, the Required Insurance or performance security shall constitute a material breach of the Agreement, upon which the County immediately may withhold payments due to the Contractor or suspend or terminate this Agreement. The County, at its sole discretion, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance and, without further notice to the Contractor, deduct the premium cost from sums due to the Contractor or pursue the Contractor reimbursement.

22.16 Performance Security

Prior to the Effective Date of this Agreement, Contractor shall furnish performance security in the form of a performance bond, a certificate of deposit, an irrevocable letter of credit, or other performance security in a form and from a financial institution acceptable to County, payable to County in the amount equal to the lesser of One Million Dollars (\$1,000,000) or ten percent (10%) of the Maximum Agreement Sum for this Agreement and issued by a corporate surety licensed to do business in the State of California. Such performance security shall be maintained by Contractor in full force and effect until released by County upon County's Project Director's determination that Contractor has fully performed all its obligations under this Agreement. The Agreement number and dates of performance shall be specified in such performance bond. Prior to acceptance of Contractor's performance security, Contractor shall submit to County for Approval the form of the proposed performance security. The cost of both the initial expense and the annual premiums for the performance security shall be borne by Contractor.

Such performance security shall secure Contractor's performance, including without limitation, performing Contractor's Services in accordance with this Agreement and shall secure any damages, costs, or expenses resulting from Contractor's default in performance hereunder. In the event of termination by County under Section 8.2 (Termination for Default) or Section 8.4 (Termination for Insolvency), the performance security amount shall become payable to County for any outstanding damage assessments made by County against Contractor. An amount up to the full amount of the performance security may also be applied to Contractor's liability for any administrative costs or any excess costs incurred by County in obtaining similar Services to replace those terminated as a result of Contractor's default or insolvency. In addition, upon such a termination, County may seek any other remedies permitted under this Agreement or under applicable law.

23.0 INSURANCE COVERAGE

23.1 Commercial General Liability

Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

23.2 Automobile Liability

Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than One Million Dollars (\$1,000,000) for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of the Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and non-owned autos, as each may be applicable.

23.3 Workers Compensation and Employers' Liability

Workers Compensation and Employers' Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than One Million Dollars (\$1,000,000) per accident. If the Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization, coverage also shall include an alternate employer endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the alternate employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

23.4 Technology Errors and Omissions

Technology Errors and Omissions insurance, including coverage for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing, including outsourcing development and design; (6) systems design, consulting, development, and modification; (7) training services relating to computer software or hardware; (8) management, repair, and maintenance of computer products, networks, and systems; (9) marketing, selling, servicing, distributing, installing, and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval, or preparation of data output, and any other services provided by Contractor with limits of at least Five Million Dollars (\$5,000,000).

23.5 Privacy and Network Security (Cyber) Liability

Privacy and Network Security (Cyber) Liability insurance, which includes coverage for Contractor's liability arising from a security incident as it relates to this Agreement, with limits of not less than Ten Million Dollars (\$10,000,000) aggregate for each occurrence. For the purposes of this Section 23.5

(Privacy and Network Security (Cyber) Liability), the term “**security incident**” means (1) privacy breaches; (2) system breaches; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; or (5) unauthorized access to or use of computer systems with limits. No specific exclusion/restriction for unencrypted portable devices/media may be on the policy. The Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Agreement’s expiration, termination, or cancellation.

24.0 DISPUTE RESOLUTION PROCEDURE

It is the intent of the Parties that all disputes arising under this Agreement be resolved expeditiously, amicably, and at the level within each Party’s organization that is most knowledgeable about the disputed issue. The Parties understand and agree that the procedures outlined in this Section 24.0 (Dispute Resolution Procedure) are not intended to supplant the routine handling of inquiries and complaints through informal contact with their respective managers. Accordingly, for purposes of the procedures set forth in this Section 24.0 (Dispute Resolution Procedure), a “**Dispute**” shall mean any action, dispute, claim, or controversy of any kind, whether in Agreement or tort, statutory or common law, legal or equitable, now existing or hereafter arising under or in connection with, or in any way pertaining to this Agreement.

Contractor and County agree to act with urgency to mutually resolve any Disputes which may arise with respect to this Agreement. All such Disputes shall be subject to the provisions of this Section 24.0 (Dispute Resolution Procedure) (such provisions shall be collectively referred to as the “**Dispute Resolution Procedure**”). Time is of the essence in the resolution of disputes.

Contractor and County agree that, the existence and details of a Dispute notwithstanding, both Parties shall continue without delay their performance hereunder, except for any performance which County determines should be delayed as a result of such Dispute.

Subject to the provisions of Section 6.3 (Invoices and Payments), if Contractor fails to continue without delay its performance hereunder which County, in its sole discretion, determines should not be delayed as a result of such Dispute, then any additional costs which may be incurred by Contractor or County as a result of Contractor’s failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against County for such costs. Contractor shall promptly reimburse County for such County costs, as determined by County, or County may deduct all such additional costs from any amounts due to Contractor from County.

If County fails to continue without delay to perform its responsibilities under this Agreement which County determines should not be delayed as a result of such Dispute, then any additional costs incurred by Contractor or County as a result of County’s failure to continue to so perform shall be borne by County, and County shall make no claim whatsoever against Contractor for such costs. County shall promptly reimburse Contractor for all such additional Contractor costs subject to the Approval of such costs by County.

In the event of any Dispute between the Parties with respect to this Agreement, Contractor and County shall submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such Dispute.

In the event that the Project Managers are unable to resolve the Dispute within a reasonable time not to exceed ten (10) days from the date of submission of the Dispute to them, then the matter shall be immediately submitted to the Parties' respective Project Directors for further consideration and discussion to attempt to resolve the Dispute.

In the event that the Project Directors are unable to resolve the Dispute within a reasonable time not to exceed ten (10) days from the date of submission of the Dispute to them, then the matter shall be immediately submitted to Contractor's president or equivalent and the Health Agency Director. These persons shall have ten (10) days to attempt to resolve the Dispute.

In the event that at these levels, there is not a resolution of the Dispute acceptable to both Parties, then each Party may assert its other rights and remedies provided under this Agreement and its rights and remedies as provided by law.

All Disputes utilizing this Dispute Resolution Procedure shall be documented in writing by each Party and shall state the specifics of each alleged Dispute and all actions taken. The Parties shall act in good faith to resolve all Disputes. At all three (3) levels described in this Section 24.0 (Dispute Resolution Procedure), the efforts to resolve a Dispute shall be undertaken by conference between the Parties' respective representatives, either orally, by face to face meeting or by telephone, or in writing by exchange of correspondence.

Notwithstanding any other provision of this Agreement, County's right to terminate this Agreement or to seek injunctive relief to enforce the provisions of Section 12.1 (Confidentiality) shall not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights and shall not be deemed to impair any claims that County may have against Contractor or County's rights to assert such claims after any such termination or such injunctive relief has been obtained.

Contractor shall bring to the attention of the County's Project Manager or County's Project Director any dispute between the County and the Contractor regarding the performance of Services as stated in this Agreement.

25.0 MISCELLANEOUS

25.1 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the Term and for a period of one (1) year thereafter, neither Party shall in any way intentionally induce or persuade any employee of one Party to become an employee or agent of the other Party. No bar exists against any hiring action initiated through a public announcement.

25.2 Conflict of Interest

25.2.1 No County employee whose position with the County enables such employee to influence the award or administration of this Agreement or any competing Agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall

in any way participate in the County's Approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's Approval or ongoing evaluation of such work.

25.2.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the Term. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Section 25.2 (Conflict of Interest) shall be a material breach of this Agreement.

25.3 Force Majeure

25.3.1 Neither Party shall be liable for such Party's failure to perform its obligations under and in accordance with this Agreement, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such Party or any of such Party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such Party (such events are referred to in this Section 25.3 (Force Majeure) as "**Force Majeure Events**").

25.3.2 Notwithstanding the foregoing, a default by a subcontractor of the Contractor shall not constitute a Force Majeure Event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Section 25.3 (Force Majeure), the terms "subcontractor" and "subcontractors" mean subcontractors at any tier.

25.3.3 In the event Contractor's failure to perform arises out of a Force Majeure Event, the Contractor agrees to use commercially reasonable efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such Force Majeure Event.

25.4 Notice of Delays

Except as otherwise provided under this Agreement, when either Party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that Party shall, within three (3) business days, give notice thereof, including all relevant information with respect thereto, to the other Party.

25.5 Notices

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be sent electronically and hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the Parties as identified in Exhibit E

(Administration of Agreement). Addresses may be changed by either Party giving ten (10) days' prior written notice thereof to the other Party.

25.6 Governing Law, Jurisdiction, and Venue

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

25.7 Independent Contractor Status

25.7.1 This Agreement is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one Party shall not be, or be construed to be, the employees or agents of the other Party for any purpose whatsoever.

25.7.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

25.7.3 The Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Agreement.

25.7.4 The Contractor shall adhere to the provisions stated in Section 12.1 (Confidentiality).

25.8 Validity

If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby.

25.9 Waiver

No waiver of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of either party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Section 25.9 (Waiver) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

25.10 Non-Exclusivity

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Agreement shall not restrict County from acquiring similar, equal, or like goods or services from other entities or sources.

25.11 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each Party, when appearing in appropriate places on the Amendments, Change Notices, and Change Orders prepared pursuant to Section 13.0 (Changes to Agreement), and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments, Change Notices, and Change Orders to this Agreement, such that the Parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

25.12 Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and will become effective and binding upon the Parties as of the Effective Date.

25.13 Agreement Drafted by All Parties

This Agreement is the result of arm's length negotiations between the Parties. Consequently, each Party has had the opportunity to receive advice from independent counsel of its own choosing. This Agreement shall be construed to have been drafted by all parties such that any ambiguities in this Agreement shall not be construed against either Party.

25.14 No Intent to Create A Third Party Beneficiary Contract

Notwithstanding any other provision of this Agreement, the Contractor and the County do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement.

25.15 Contractor Performance During Civil Unrest or Disaster

The Contractor recognizes that emergency systems such as the System are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster, or similar event. Notwithstanding any other provision of this Agreement, including Section 25.3 (Force Majeure), full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains reasonably practicable. Failure to comply with this requirement shall be considered a material breach by Contractor for which County may immediately terminate this Agreement.

26.0 ADDITIONAL TERMS

26.1 Time Off for Voting

The Contractor shall notify its employees, and shall require each Subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than ten (10) days before every statewide election, every Contractor and Subcontractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

26.2 Recycled Bond Paper

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Agreement.

26.3 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The Contractor and its Subcontractors can access posters and other campaign material at <http://www.babysafela.org>.

26.4 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees in California, and shall require each Subcontractor to notify and provide to its employees in California, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I (Safely Surrendered Baby Law) of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

26.5 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall notify each Subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

26.6 Fair Labor Standards

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its Agents from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

26.7 Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws

26.7.1 The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17); the Fair Employment and Housing Act, Government Code Section 12920-12922; and the Affirmative Action in County Agreements, Chapter 4.32 of the Los Angeles County Code to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, discriminate against any person in the performance of this Agreement.

26.7.2 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable federal and state anti-discrimination laws and regulations.

26.7.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, in compliance with all applicable federal and state anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

26.7.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation.

26.7.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable federal and state laws and regulations to the end that no person shall, on the grounds of race, color, religious creed, ancestry, national origin, sex, sexual orientation, age, physical or mental disability, medical condition, marital status, or political affiliation, discriminate against any person in its performance of this Agreement or under any project, program, or activity supported by this Agreement.

26.7.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Section 26.7 (Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws) when so requested by the County.

26.7.7 If the County finds that any provisions of this Section 26.7 (Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws) have been violated, such violation shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement. While the County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated federal or state anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Agreement.

26.7.8 The Parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Agreement, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

26.7.9 The Contractor shall certify to, and comply with, the provisions of Exhibit F (Contractor's EEO Certification).

26.8 Warranty Against Contingent Fees

26.8.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

26.8.2 For breach of this warranty, the County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

26.9 Contractor's Warranty of Adherence to County's Child Support Compliance Program

26.9.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

26.9.2 As required by the County's Child Support Compliance Program (Los Angeles County Code Chapter 2.200) and without limiting the Contractor's duty under this Agreement to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the Term maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

26.10 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in Section 26.9 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate this Agreement pursuant to Section 8.2 (Termination for Default) and pursue debarment of the Contractor, pursuant to Los Angeles County Code Chapter 2.202.

26.11 Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program

The Contractor acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

Unless the Contractor qualifies for an exemption or exclusion, the Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the Term, will maintain compliance with Los Angeles County Code Chapter 2.206.

26.12 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of the Contractor to maintain compliance with the requirements set forth in Section 26.11 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to the County under any other provision of this Agreement, failure of the Contractor to cure such default within ten (10) days of notice shall be grounds upon which the County may terminate this Agreement or pursue debarment of the Contractor, pursuant to Los Angeles County Code Chapter 2.206.

26.13 Compliance with the County's Jury Service Program

26.13.1 Jury Service Program

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("**Jury Service Program**") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit J (Jury Service Ordinance) and incorporated by reference into and made a part of this Agreement.

26.13.2 Written Employee Jury Service Policy

Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as that term is defined under the Jury Service Program (Section 2.203.020 of the Los Angeles County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the Los Angeles County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

For purposes of this Section 26.13 (Compliance with the County's Jury Service Program), "Contractor" means a person, partnership, corporation, or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if:

(1) the lesser number is a recognized industry standard as determined by the County, or (2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Section 26.13 (Compliance with the County's Jury Service Program). The provisions of this Section 26.13 (Compliance with the County's Jury Service Program) shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the subcontract agreement.

26.13.3 If the Contractor is not required to comply with the Jury Service Program when the Agreement commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Agreement and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction, that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" or that the Contractor continues to qualify for an exception to the Program.

26.13.4 Contractor's violation of this Section 26.13 (Compliance with the County's Jury Service Program) of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

26.14 Restrictions on Lobbying

If any federal funds are to be used to pay for the Contractor's Services under this Agreement, the Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public Law 101-121 (31 U.S.C. §1352) and any implementing regulations, and shall ensure that each of its Subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.

26.15 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm (as defined in Los Angeles County Code Section 2.160.010) retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance (Los Angeles County Code Chapter 2.160). Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement.

26.16 Consideration of Hiring County Employees Targeted for Layoff/Re-Employment List

Should the Contractor require additional or replacement personnel after the Effective Date of this Agreement to perform the Services set forth herein, the Contractor shall give consideration for such

employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

26.17 Consideration of Hiring GAIN/GROW Participants

26.17.1 Should the Contractor require additional or replacement personnel after the Effective Date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. The Contractor shall report all job openings with job requirements to: GAINGROW@dps.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

26.17.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

26.18 Federal Access to Records

If, and to the extent that, Section 1861(v)(1)(I) of the Social Security Act (42 U.S.C. Section 1395x(v)(1)(I)) is applicable, the Contractor agrees that for a period of four (4) years following the furnishing of Services under this Agreement, the Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Controller General of the United States, or to any of their authorized representatives, the Agreements, books, documents and records of the Contractor which are necessary to verify the nature and extent of the costs of Services provided hereunder. Furthermore, if the Contractor carries out any of the Services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization (as that term is defined under federal law), the Contractor agrees that each such subcontract agreement shall provide for such access to the subcontract agreement, books, documents, and records of the Subcontractor.

26.19 Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (2 C.F.R. Part 376)

The Contractor hereby acknowledges that the County is prohibited from contracting with and making sub-awards to parties that are suspended, debarred, ineligible, or excluded or whose principals are suspended, debarred, ineligible, or excluded from securing federally funded contracts. By executing this Agreement, the Contractor certifies that neither it nor any of its owners, officers, partners, directors, other principals, employees, or independent contractors is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. Further, by executing this Agreement, the Contractor certifies that, to its knowledge, none of its Subcontractors, at any tier, or any owners, officers, partners, directors, other principals, employees, or independent contractors of any subcontractor is currently suspended, debarred, ineligible, or excluded from securing federally funded contracts. The Contractor is responsible to reimburse the County for all associated costs (repayment, fine, and penalty) that may be incurred as a result of inappropriate claims submitted by or on behalf of one of their staff or vendors who are excluded or suspended. Failure of the Contractor to comply with this provision shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

26.20 Contractor's Exclusion from Participating in a Federally Funded Program

26.20.1 The Contractor hereby warrants that neither it nor any of its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors are restricted or excluded from providing Services under any health care program funded by the federal government, directly or indirectly, in whole or in part, (which includes Medicare, Medi-Cal and Healthy Families) and that the Contractor will notify Health Agency Director within ten (10) calendar days in writing of its knowledge of: (1) any exclusion or event that would trigger the exclusion of the Contractor or any of the aforementioned parties from participation in a federally funded health care program; and (2) any exclusionary or suspension action taken by any agency of the federal or state governments against any of the aforementioned parties' barring these parties from participating in a federally funded health care program, whether such bar is direct or indirect, or whether such bar is in whole or in part.

26.20.2 The Contractor shall indemnify and hold the County harmless against any and all loss or damage the County may suffer arising from any exclusion or suspension of the Contractor or its Subcontractors' owners, officers, partners, directors, other principals, employees or independent contractors from such participation in a federally funded health care program.

26.20.3 Failure by the Contractor to meet the requirements of this Section 26.20 (Contractor's Exclusion from Participating in a Federally Funded Program) shall constitute a material breach of contract upon which County may immediately terminate or suspend this Agreement.

26.21 Compliance with County's Zero Tolerance Policy on Human Trafficking

26.21.1 The Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting Contractors from engaging in human trafficking.

26.21.2 If Contractor or a member of the Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of the Contractor's staff be removed immediately from performing Services under this Agreement. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

26.21.3 Disqualification of any member of the Contractor's staff pursuant to this Section 26.21 (Compliance with County's Zero Tolerance Policy on Human Trafficking) shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

26.22 Survival

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Sections shall survive any termination or expiration of this Agreement:

Section 3.0 (License and Intellectual Property)

Section 3.4	(Proprietary Considerations)
Section 6.2	(No Payment for Services Provided Following Expiration/Termination)
Section 6.8	(Record Retention and Inspection/Audit Settlement)
Section 8.7	(Effect of Termination)
Section 8.8	(Transition Services)
Section 12.1	(Confidentiality)
Section 16.0	(Compliance with Applicable Laws, Rules, and Regulations)
Section 21.0	(Indemnification)
Section 22.0	(General Provisions for All Insurance Coverage and Performance Security)
Section 23.0	(Insurance Coverage)
Section 24.0	(Dispute Resolution Procedure)
Section 25.6	(Governing Law, Jurisdiction, and Venue)
Section 25.14	(No Intent to Create a Third Party Beneficiary Contract)
Section 26.22	(Survival)

[Signatures provided on the following page]

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be executed by the County's Director of the Health Agency and Contractor has caused this Agreement to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Health Agency Director

CONTRACTOR

By _____
Signature

Printed Name

Title

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By _____
Victoria Mansourian
Principal Deputy County Counsel



EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION

SYSTEMS MAINTENANCE AND SUPPORT SERVICES

1. INTRODUCTION

This Exhibit A (Statement of Work) (sometimes referred to in this Exhibit as “**this SOW**”) is an attachment and addition to the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services (“**Agreement**”) entered into by and between the County of Los Angeles, (“**County**”) and QuadraMed Affinity Corporation (“**Contractor**”) and is incorporated into the Agreement by reference hereof. In the event of conflicting terms between the Agreement and this SOW, the terms of the Agreement shall prevail and nothing in this SOW shall modify or amend any provisions of the Agreement (including all components such as Statements of Work, Service Level Agreements, Exhibits, etc.) unless such modifications or amendments and the provisions of the Agreement which they modify or amend are specifically identified in this SOW and are Approved. This SOW includes any attachments and schedules hereto. Any capitalized terms shall have the meaning set forth in the body of the Agreement together with all Exhibits and Attachments, including Exhibit D (Glossary).

All of the tasks, subtasks, deliverables, goods, and other services required or requested by County below are included as part of the Services. This SOW aggregates tasks and subtasks that are a subset of both the broad definition of Services set forth in the Agreement, and the specific Services associated with this SOW. Where a Fixed Fee is to be applied, whether or not additional Services, not specifically included in any statement of work, are needed to successfully deliver the Services and System Software as required under the Agreement, such Services are required to be delivered by Contractor and are included in the Fixed Fee.

This SOW provides a description of the nature of the work required, but does not provide an exhaustive list of every task or subtask necessary for provision of Services under this Exhibit A (Statement of Work). The completion of any Fixed Fee Services in a period of time shorter or longer than that specified below shall not increase the Fixed Fee.

2. SOW SUMMARY

2.1 Overview

This SOW will provide the following activities: (a) project management and coordination; (b) maintenance and support; and (c) problem management and resolution.

2.2 SOW Team Structure and Resources.

Upon request by County, Contractor shall provide a Project Staffing and Resource Management Plan. This plan will be utilized to establish fully loaded (identification of FTE equivalent or hours for all resources) Contractor resource staffing commitments and to detail specific County resources which will guide County on how best to allocate and deploy staff to this Agreement. Notwithstanding the forgoing, this is a fixed fee engagement and the Contractor resources identified in the Project Staffing and Resource Management Plan do not limit the resources that may be required by Contractor.

3. GENERAL RESPONSIBILITIES

For the Services described in this SOW:

- (a) The Services will be performed by Contractor on-site at sites designated by County and off-site at location(s) as agreed to by the Parties in writing for specific activities.

- (b) Contractor shall provide designated full-time on-site key personnel to deliver the Services during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, Monday through Friday, except County and Contractor recognized holidays, unless otherwise agreed by the Parties in writing. Contractor personnel that is not on-site will also be available during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, unless otherwise agreed by the Parties in writing.
- (c) Contractor shall utilize its preferred service delivery methodology, templates, and other tools as required to support the efficient and cost effective execution of the Services defined in this SOW to the extent its preferred service delivery methodology is not inconsistent with the Agreement.
- (d) Contractor shall provide all Services in English.

3.1 Contractor Project Manager Responsibilities.

Contractor shall designate a Contractor Project Manager to whom all County communications may be addressed and who has the authority to represent and commit Contractor in connection with all aspects of this SOW.

The Contractor Project Manager's obligations include:

- (a) Establish and maintain communications through the County Project Manager and Project governance structure;
- (b) Manage the delivery of Services;
- (c) Notify County of any Contractor focal point or contacts for specific activities or tasks;
- (d) Coordinate and manage the activities of Contractor personnel;
- (e) Report to the County Project Manager problems and issues impacting Contractor's provision of the Services that require County's attention and resolution;
- (f) Coordinate resolution of all Services issues, including those raised by the County Project Manager and, as necessary, escalate such issues within the Contractor organization; and
- (g) Conduct as needed status meetings and prepare monthly status reports for the Services defined in this SOW.

Contractor shall perform these activities throughout the provision of the Services.

3.2 Specific County Tasks.

- (a) *County Project Manager Responsibilities.*

The County Project Manager will:

- (a) Serve as the primary interface between the Contractor Project Manager and County for the Services set forth in this SOW;

- (b) Review this SOW and the responsibilities of both County and Contractor with the Contractor Project Manager;
- (c) Coordinate, manage, and be responsible for the control of the activities of County personnel for this SOW;
- (d) Communicate to the Contractor Project Manager any changes that may materially affect Contractor’s provision of the Services set forth in this SOW;
- (e) Coordinate with Contractor Project Manager on Contractor’s efforts to resolve problems and issues related to the Services set forth in this SOW;
- (f) Coordinate resolution of issues raised by the Contractor Project Manager pertaining to this SOW and, as necessary, escalate such issues within the County organization;
- (g) Serve as the interface between Contractor’s personnel and all County departments participating in activities for the Services set forth in this SOW; and
- (h) Notify Contractor of any County focal point or contacts for specific Services related to this SOW.

County may change the County Project Manager by providing notification to the Contractor Project Manager.

4. TASKS

Contractor shall be responsible for performing the following tasks as to the Services to be provided under this SOW.

4.1 Maintenance and Support.

Contractor shall provide continued Maintenance and Support services, using service delivery model established under Prior Agreements No. 72190 and 56649, which shall include but not be limited to the following tasks as described below. These Maintenance and Support tasks are in addition to, and must be read in conjunction with, the Service Levels to be provided by Contractor pursuant to Exhibit B (Service Level Agreement).

Tasks/Deliverables	
<p>Task 1 Provide Application Support during Support Hours</p> <p>Contractor shall provide Monday through Friday 8:00 AM – 5:00 PM Pacific Time (“Support Hours”) application support for all Application Software, including Customization and Interfaces, issues and County support requests.</p> <p>Contractor shall:</p>	<p>Deliverable 1 Application Support during Support Hours</p> <ul style="list-style-type: none"> • Application support during Support Hours • Monthly calls and monthly reports. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Application support during Support Hours addresses all elements described in Task 1

Tasks/Deliverables	
<ul style="list-style-type: none"> • Address issues escalated from County help desk related to Application Software; • Provide a single point of contact for application support issues; • Support County help desk incident resolution as needed; • Participate in the process for “hand off” from the County help desk to Contractor; • Maintain a record of incidents handed off from County help desk; • Monitor County help desk tickets to identify patterns and improve services; • Conduct root cause analysis on frequently recurring calls on the same topic; • Support County in addressing recurring issues as needed and agreed upon; • Perform Daylight Saving Time management activities for the Application Software; • Participate in the resolution of Interface errors that originate in County systems or third-party systems which may be billable if Services beyond the reasonable identification of the issue are required; • Review and provide input to help desk scripts as necessary to improve the efficiency and effectiveness of incident resolution processes; • Maintain and monitor system design reports (SDR’s) and modifications to maintain the current billing practices; LACO Custom system modifications will remain in Revenue Cycle Only (RCO). <p>Contractor shall conduct monthly calls with County to discuss application support activities and related issues.</p> <p>Contractor shall report monthly on application support activities, including the tracking and reporting of any issues.</p>	<p>(Provide Application Support during Support Hours).</p>
<p>Task 2 Provide Incident/Problem Management and Resolution</p> <p>Contractor shall provide incident/problem management and resolution services using a</p>	<p>Deliverable 2 Incident/Problem Management Report</p> <ul style="list-style-type: none"> • Incident/ problem management and resolution services.

Tasks/Deliverables	
<p>structured IT service management methodology, including:</p> <ul style="list-style-type: none"> • Response to Contractor or County-identified incident/problems; • Assessment of impact on County operations; • Triaging; • Tracking; • Escalation; • Notification; and • Resolution. <p>In providing the incident/problem management and resolution services, Contractor shall:</p> <ul style="list-style-type: none"> • Provide the process for who to contact for incident reporting, resolution, and escalation; • Provide multiple channels for problem or incident reporting (e.g., online, telephone); • Maintain ownership of all problems through resolution and closure; • Perform root cause analysis on problems; • Notify County help desk of incidents or problems found by Contractor; • Staff operations and provide on-call incident and problem management and resolution staff during Support Hours.; and • Ensure notification and escalation of incidents in accordance with the production support plan, service level agreements, and the Agreement. <p>Contractor shall provide County with a monthly report on incident/problem management, including:</p> <ul style="list-style-type: none"> • Number of incidents; • List of all open problems; • Priority of problems; • Owner of problems; • Progress on open problems; • Estimated time to resolution of open problems; and • Root cause analysis for resolved problems as requested by County. 	<ul style="list-style-type: none"> • Weekly calls. • Monthly Incident/Problem Management Report. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Incidents and problems are resolved as described in Task 2 (Provide Incident/Problem Management and Resolution).

Tasks/Deliverables	
<p>Task 3 Conduct Service Level Monitoring and Reporting</p> <p>Contractor shall conduct Service Level monitoring and reporting in accordance with the Agreement. Service Level monitoring and reporting will include:</p> <ul style="list-style-type: none"> • Ongoing monitoring of Contractor adherence to Service Levels; • Any issues that could impact an agreed-upon Service Level; • Resolution of any root-causes impacting Contractor’s ability to meet agreed-upon Service Levels; and • Providing monthly statistics and management reports to County on Service Level attainment. <p>Contractor shall conduct weekly calls with County to discuss Service Levels and related issues, if Contractor fails to meet the Service Levels set forth in Exhibit B (Service Level Agreement).</p>	<p>Deliverable 3 Service Level Monitoring and Reporting</p> <ul style="list-style-type: none"> • Service Level monitoring and reporting. • Weekly calls. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Service Level monitoring and reporting addresses all elements described in Task 3 (Conduct Service Level Monitoring and Reporting).
<p>Task 4 Provide Full-Time Patient Accounting Coordinator</p> <p>Contractor shall provide County, upon County’s request, with one (1) full-time dedicated Patient Accounting Coordinator to coordinate County-wide activities with all County facilities. Such activities shall include, but not be limited to:</p> <ul style="list-style-type: none"> • Assist with the education and training of County staff as on new features and enhancements of Patient Accounting; • Provide consultative services on optimizing the use of Patient Accounting; • Act as a liaison between County and Contractor when defining custom programming or Enhancements, assist with testing of new Releases and maintenance fixes, and maintaining current knowledge of Contractor's Patient Accounting application and strategic direction and County's business processes and strategic direction. 	<p>Deliverable 4 Full-Time Patient Accounting Coordinator</p> <ul style="list-style-type: none"> • Full-time Patient Accounting Coordinator <p>Acceptance Criteria</p> <ul style="list-style-type: none"> • Full-Time Patient Accounting Coordinator addresses all elements described in Task 4 (Provide a Full-Time Patient Accounting Coordinator).

Tasks/Deliverables	
<p>The Patient Accounting Coordinator shall operate from Contractor's business premises or at County facilities as required. County will be responsible for Out-of-Pocket Expenses incurred when on-site at County facilities.</p>	
<p>Task 5 Provide Full-Time Project Coordinator.</p> <p>Contractor shall provide County, upon County's request, with one (1) full-time dedicated Project Coordinator to coordinate County-wide activities with all County facilities. Such activities shall include, but not be limited to:</p> <ul style="list-style-type: none"> • Conduct appropriate monthly County-wide meeting; • Coordinate the definition, development, and delivery of all post-Production use Modifications; • Coordinate County-wide input into Contractor's product development process including attendance at Contractor's Affinity User Group meeting; • Coordinate the delivery and work with the County Project Manager on the installation of all Releases; • Coordinate hardware changes and hardware upgrades with County; • Ensure that Contractor's resources are meeting the County's expectations; and • Maintain current knowledge of Contractor's products and strategic direction and County's business processes and strategic direction. <p>The Project Coordinator shall operate from Contractor's business premises or at County facilities as required.</p>	<p>Deliverable 5 Full-Time Project Coordinator</p> <ul style="list-style-type: none"> • Full-time Project Coordinator <p>Acceptance Criteria</p> <p>Full-Time Project Coordinator addresses all elements described in Task 5 (Provide a Full-Time Project Coordinator).</p>

5. OPTIONAL WORK

County may submit to Contractor written requests for Optional Work using Pool Dollars, including Software Modifications, Professional Services and/or Additional Products. Following County's Project Director's request for Optional Work, Contractor shall submit to County for approval a proposed Work Order for such Optional Work and a not-to-exceed Maximum Fixed Price calculated, as applicable, based on the Fixed Hourly Rate and cost for any Third Party Products that may be included in such Work Order.

Contractor shall also submit an estimation of personnel hours required to complete the Optional Work. The Change Order for Optional Work shall be subject to County approval following the Parties' agreement with respect to the tasks and deliverables to be performed as documented in the Work Order, including any goods to be delivered, and the Maximum Fixed Price for such Optional Work.

Any Software Modifications, products of Professional Services and Additional Products, once provided, shall become part of, and be deemed, the System. Furthermore, any enhancements and/or modifications to System Requirements resulting from any Optional Work shall be incorporated into, and become part of, the System Requirements and the System.



SCHEDULE A.1 (CHANGE ORDER TEMPLATE)

OF

EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

CHANGE ORDER
AGREEMENT NUMBER H-707298

Date Submitted	Change Order Title	Project Name	Change Order No.
		Maintenance and Support Services Agreement	
Change Initiated by (Last, First)		From (Select one below)	
		<input type="checkbox"/> L.A. County /Department of Health Services	<input type="checkbox"/> Contractor
Facility(ies) Impacted: (check all that apply)			
<input type="checkbox"/>	LAC+USC MC	<input type="checkbox"/>	H-UCLA MC
<input type="checkbox"/>	MLK OC	<input type="checkbox"/>	OV-UCLA MC
<input type="checkbox"/>	OTHER:	<input type="checkbox"/>	RLANRC
<input type="checkbox"/>		<input type="checkbox"/>	ENTERPRISE
<input type="checkbox"/>		<input type="checkbox"/>	ACN
Reason for Change			
Details of Change: (Provide Agreement reference and a description of your request)			
Description of Change:			
Approximate start and end date (if applicable):			
Changes in Tasks, Subtasks and Deliverables:			

Note: Except as otherwise provided in this Change Order, all other prices, terms and conditions of Agreement No. H-707298 remain unchanged.

**CHANGE ORDER
AGREEMENT NUMBER H-707298**

Cost Implications:			
Description	Quantity	Unit Price	Amount
Total Cost of Change Order (Not to exceed):			

Signature Approvals			
Recommended:			
County Project Manager (Signature)	Date	Name	Title
Comments:			
Approved:			
County Project Director (Signature)	Date	Name	Title
Comments:			
Approved (Required if Change Order cost exceeds \$150,000 per Section 13.3 of Agreement):			
Health Agency Director or designee (Signature)	Date	Name	Title
Comments:			
Contractor Accepted:			
Contractor Project Director Authorized Signature	Date	Name	Title
Address	Phone	Fax	E-Mail
Comments:			



SCHEDULE A.2 (APPLICATION MANAGEMENT OPTIONAL
WORK STATEMENT OF WORK)

OF

EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE A.2

APPLICATION MANAGEMENT OPTIONAL WORK STATEMENT OF WORK

1. INTRODUCTION

This Schedule A.2 (Application Management Optional Work Statement of Work) (sometimes referred to herein as “**this SOW**”) is an attachment and part of to the QuadraMed Affinity Corporation Agreement (the “**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation and is incorporated into the Agreement by reference hereof. In the event of conflicting terms between the Agreement and this SOW, the terms of the Agreement shall prevail and nothing in this SOW shall modify or amend any provisions of the Agreement (including all components such as Statements of Work, Service Level Agreements, Exhibits, etc.) unless such modifications or amendments and the provisions of the Agreement which they modify or amend are specifically identified in this SOW and are Approved. This SOW includes any attachments and schedules hereto. Unless specifically defined in this Schedule, capitalized terms used herein shall have the meanings set forth in the Agreement.

All of the tasks, subtasks, deliverables, goods, and other services required or requested by County below are included as part of the Services. This SOW aggregates tasks and subtasks that are a subset of both the broad definition of Services set forth in the Agreement, and the specific Services associated with this SOW. Where a fixed fee is to be applied, whether or not additional Services, not specifically included in any Statement of Work, are needed to successfully deliver the Services and System Software as required under the Agreement, such Services are required to be delivered by Contractor and are included in the fixed fee.

This SOW provides a description of the nature of the work required, but does not provide an exhaustive list of every task or subtask necessary for provision of Services under Exhibit A (Statement of Work). The completion of any fixed fee Services in a period of time shorter or longer than that specified below shall not increase the fixed fee.

2. SOW SUMMARY

2.1 Overview

This SOW sets forth Optional Work to be provided by Contractor in accordance with Section 4.3 (Optional Work) of the Agreement for application management.

2.2 SOW Team Structure and Resources

Upon request by County, Contractor shall provide a Project Staffing and Resource Management Plan. This plan will be utilized to establish fully loaded (identification of FTE equivalent or hours for all resources) Contractor resource staffing commitments and to detail specific County resources which will guide County on how best to allocate and deploy staff to this Agreement. Notwithstanding the forgoing, this is a fixed fee engagement and the Contractor resources identified in the Project Staffing and Resource Management Plan do not limit the resources that may be required by Contractor.

3. GENERAL RESPONSIBILITIES

For the Services described in this SOW:

- (A) The Services will be performed by Contractor on-site at sites designated by County and off-site at location(s) as agreed to by the Parties in writing for specific activities.

- (B) Contractor shall provide designated full-time on-site key personnel to deliver the Services during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, Monday through Friday, except County and Contractor recognized holidays, unless otherwise agreed by the Parties in writing. Contractor personnel that are not on-site will also be available during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, unless otherwise agreed by the Parties in writing.
- (C) Contractor shall utilize its preferred service delivery methodology, templates, and other tools as required to support the efficient and cost effective execution of the Services defined in this SOW to the extent its preferred service delivery methodology is not inconsistent with the Agreement.
- (D) Contractor shall provide all Services in English.

4. TASKS

Contractor shall be responsible for performing the following tasks as to the Services to be provided under this SOW as Optional Work.

<p>Task 1 Provide Application Management</p> <p>Contractor shall provide, upon County’s request, application management services, including:</p> <ul style="list-style-type: none"> • Manage all Application Software including Licensed Software and Interfaces used in day to day operations of the System; • Proactively and reactively notifying County help desk and designated Enterprise County Project Manager of issues, incidents, and problems found by Contractor that affect or may affect the Service, and of any required County intervention to avoid or resolve the issue, incident, or problem; • Removing or deactivating non-current items monitored or managed by support services, after obtaining County Approval; • Configure and support the following activities related to Interfaces: all Interface queue counts, status and settings, and inbound Interface status and settings; • Configure and support back-end print queues for hung processes; • Review and provide feedback on County proposed changes to County’s Interface engine; and • Enabling down or cycling hung back-end print queues. <p>Contractor shall conduct monthly calls with County to discuss the overall system and applications</p>	<p>Deliverable 1 Application Monitoring</p> <ul style="list-style-type: none"> • Application management services. • Monthly calls and monthly reports, as applicable. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Application management services addresses all elements described in Task 1 (Provide Application Management).
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<p>supported health and related issues. Contractor shall report monthly on supported applications, including the tracking and reporting of any issues.</p>	
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SCHEDULE A.3 (OPERATIONS MANAGEMENT OPTIONAL
WORK STATEMENT OF WORK)

OF

EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE A.3

OPERATIONS MANAGEMENT OPTIONAL WORK STATEMENT OF WORK

1. INTRODUCTION

This Schedule A.3 (Operations Management Optional Work Statement of Work) (sometimes referred to herein as “**this SOW**”) is an attachment and part of to the QuadraMed Affinity Corporation Agreement (the “**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation and is incorporated into the Agreement by reference hereof. In the event of conflicting terms between the Agreement and this SOW, the terms of the Agreement shall prevail and nothing in this SOW shall modify or amend any provisions of the Agreement (including all components such as Statements of Work, Service Level Agreements, Exhibits, etc.) unless such modifications or amendments and the provisions of the Agreement which they modify or amend are specifically identified in this SOW and are Approved. This SOW includes any attachments and schedules hereto. Unless specifically defined in this Schedule, capitalized terms used herein shall have the meanings set forth in the Agreement.

All of the tasks, subtasks, deliverables, goods, and other services required or requested by County below are included as part of the Services. This SOW aggregates tasks and subtasks that are a subset of both the broad definition of Services set forth in the Agreement, and the specific Services associated with this SOW. Where a fixed fee is to be applied, whether or not additional Services, not specifically included in any Statement of Work, are needed to successfully deliver the Services and System Software as required under the Agreement, such Services are required to be delivered by Contractor and are included in the fixed fee.

This SOW provides a description of the nature of the work required, but does not provide an exhaustive list of every task or subtask necessary for provision of Services under Exhibit A (Statement of Work). The completion of any fixed fee Services in a period of time shorter or longer than that specified below shall not increase the fixed fee.

2. SOW SUMMARY

2.1 Overview

This SOW sets forth Optional Work to be provided by Contractor in accordance with Section 4.3 (Optional Work) of the Agreement for operations management.

2.2 SOW Team Structure and Resources

Upon request by County, Contractor shall provide a Project Staffing and Resource Management Plan. This plan will be utilized to establish fully loaded (identification of FTE equivalent or hours for all resources) Contractor resource staffing commitments and to detail specific County resources which will guide County on how best to allocate and deploy staff to this Agreement. Notwithstanding the forgoing, this is a fixed fee engagement and the Contractor resources identified in the Project Staffing and Resource Management Plan do not limit the resources that may be required by Contractor.

3. GENERAL RESPONSIBILITIES

For the Services described in this SOW:

- (A) The Services will be performed by Contractor on-site at sites designated by County and off-site at location(s) as agreed to by the Parties in writing for specific activities.

- (B) Contractor shall provide designated full-time on-site key personnel to deliver the Services during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, Monday through Friday, except County and Contractor recognized holidays, unless otherwise agreed by the Parties in writing. Contractor personnel that are not on-site will also be available during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, unless otherwise agreed by the Parties in writing.
- (C) Contractor shall provide all Services in English.

4. TASKS

Contractor shall be responsible for performing the following tasks as to the Services to be provided under this SOW as Optional Work.

<p>Task 1 Provide Operations Management Contractor shall provide operations management services, including:</p> <ul style="list-style-type: none"> • Detection of abnormal conditions or alarms; • Logging of failed operations jobs, and corrective action taken; • Restarting operations jobs as required; • Documenting and reporting operations job issues; • Monitoring purge job activity to ensure purges are completed successfully; • Assist County in developing purge retention criteria; • Setting County-defined purge retention criteria and scheduling purge jobs in accordance with the County’s configuration and technology change management procedures; and • Adding and removing operations jobs. <p>Contractor shall conduct monthly calls with County to discuss operations management services activities and related issues.</p> <p>Contractor shall report monthly on operations management services, including the tracking and reporting of any issues.</p>	<p>Deliverable 1 Operations Management</p> <ul style="list-style-type: none"> • Operations management services. • Monthly calls and monthly reports. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Operations management services address all elements described in Task 1 (Provide Operations Management).
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SCHEDULE A.4 (REPORT MANAGEMENT OPTIONAL
WORK STATEMENT OF WORK)

OF

EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE A.4

REPORT MANAGEMENT OPTIONAL WORK STATEMENT OF WORK

1. INTRODUCTION

This Schedule A.4 (Report Management Optional Work Statement of Work) (sometimes referred to herein as “**this SOW**”) is an attachment and part of to the QuadraMed Affinity Corporation Agreement (the “**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation and is incorporated into the Agreement by reference hereof. In the event of conflicting terms between the Agreement and this SOW, the terms of the Agreement shall prevail and nothing in this SOW shall modify or amend any provisions of the Agreement (including all components such as Statements of Work, Service Level Agreements, Exhibits, etc.) unless such modifications or amendments and the provisions of the Agreement which they modify or amend are specifically identified in this SOW and are Approved. This SOW includes any attachments and schedules hereto. Unless specifically defined in this Schedule, capitalized terms used herein shall have the meanings set forth in the Agreement.

All of the tasks, subtasks, deliverables, goods, and other services required or requested by County below are included as part of the Services. This SOW aggregates tasks and subtasks that are a subset of both the broad definition of Services set forth in the Agreement, and the specific Services associated with this SOW. Where a fixed fee is to be applied, whether or not additional Services, not specifically included in any Statement of Work, are needed to successfully deliver the Services and System Software as required under the Agreement, such Services are required to be delivered by Contractor and are included in the fixed fee.

This SOW provides a description of the nature of the work required, but does not provide an exhaustive list of every task or subtask necessary for provision of Services under Exhibit A (Statement of Work). The completion of any fixed fee Services in a period of time shorter or longer than that specified below shall not increase the fixed fee.

2. SOW SUMMARY

2.1 Overview.

This SOW sets forth Optional Work to be provided by Contractor in accordance with Section 4.3 (Optional Work) of the Agreement for report management.

2.2 SOW Team Structure and Resources

Upon request by County, Contractor shall provide a Project Staffing and Resource Management Plan. This plan will be utilized to establish fully loaded (identification of FTE equivalent or hours for all resources) Contractor resource staffing commitments and to detail specific County resources which will guide County on how best to allocate and deploy staff to this Agreement. Notwithstanding the forgoing, this is a fixed fee engagement and the Contractor resources identified in the Project Staffing and Resource Management Plan do not limit the resources that may be required by Contractor.

3. GENERAL RESPONSIBILITIES

For the Services described in this SOW:

- (A) The Services will be performed by Contractor on-site at sites designated by County and off-site at location(s) as agreed to by the Parties in writing for specific activities.

- (B) Contractor shall provide designated full-time on-site key personnel to deliver the Services during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, Monday through Friday, except County and Contractor recognized holidays, unless otherwise agreed by the Parties in writing. Contractor personnel that are not on-site will also be available during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, unless otherwise agreed by the Parties in writing.
- (C) Contractor shall utilize its preferred service delivery methodology, templates, and other tools as required to support the efficient and cost effective execution of the Services defined in this SOW to the extent its preferred service delivery methodology is not inconsistent with the Agreement.
- (D) Contractor shall provide all Services in English.

4. TASKS

Contractor shall be responsible for performing the following tasks as to the Services to be provided under this SOW as Optional Work.

<p>Task 1 Provide Report Creation and Maintenance Contractor shall implement County requests for custom report creation and maintenance, including:</p> <ul style="list-style-type: none"> • Providing an inventory of all reports used in County’s production system; • Modifications to existing production reports or rules to address County requests; • Changes required for release upgrades and content updates in accordance with the County’s configuration and technology change management procedures, if applicable; • Troubleshooting issues with custom reports in production; • Managing requests using a tracking tool; • Reporting status of custom report requests to County; and • Modifying and testing reports and rules. <p>For each custom report request, Contractor shall work with County to prioritize requests and provide County with an estimated time to implementation.</p> <p>Contractor shall support County in the development of reports, including review and validation of County-created reports.</p> <p>Contractor will report monthly on the status of requests and alert County of any issues affecting report creation or maintenance.</p> <p>Contractor shall submit Reports to County for</p>	<p>Deliverable 1 Report Creation and Maintenance</p> <ul style="list-style-type: none"> • Report creation and maintenance. • Monthly status reports as needed. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Report creation and maintenance addresses all elements described in Task 1 (Provide Report Creation and Maintenance).
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validation and signoff to ensure that the report meets requested intent.	
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SCHEDULE A.5 (CONFIGURATION AND CHANGE MANAGEMENT OPTIONAL
WORK STATEMENT OF WORK)

OF

EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE A.5

CONFIGURATION AND CHANGE MANAGEMENT OPTIONAL WORK STATEMENT OF WORK

1. INTRODUCTION

This Schedule A.5 (Configuration and Change Management Optional Work Statement of Work) (sometimes referred to herein as “**this SOW**”) is an attachment and part of to the QuadraMed Affinity Corporation Agreement (the “**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation and is incorporated into the Agreement by reference hereof. In the event of conflicting terms between the Agreement and this SOW, the terms of the Agreement shall prevail and nothing in this SOW shall modify or amend any provisions of the Agreement (including all components such as Statements of Work, Service Level Agreements, Exhibits, etc.) unless such modifications or amendments and the provisions of the Agreement which they modify or amend are specifically identified in this SOW and are Approved. This SOW includes any attachments and schedules hereto. Unless specifically defined in this Schedule, capitalized terms used herein shall have the meanings set forth in the Agreement.

All of the tasks, subtasks, deliverables, goods, and other services required or requested by County below are included as part of the Services. This SOW aggregates tasks and subtasks that are a subset of both the broad definition of Services set forth in the Agreement, and the specific Services associated with this SOW. Where a fixed fee is to be applied, whether or not additional Services, not specifically included in any Statement of Work, are needed to successfully deliver the Services and System Software as required under the Agreement, such Services are required to be delivered by Contractor and are included in the fixed fee.

This SOW provides a description of the nature of the work required, but does not provide an exhaustive list of every task or subtask necessary for provision of Services under Exhibit A (Statement of Work). The completion of any fixed fee Services in a period of time shorter or longer than that specified below shall not increase the fixed fee.

2. SOW SUMMARY

2.1 Overview.

This SOW sets forth Optional Work to be provided by Contractor in accordance with Section 4.3 (Optional Work) of the Agreement for configuration and change management.

2.2 SOW Team Structure and Resources

Upon request by County, Contractor shall provide a Project Staffing and Resource Management Plan. This plan will be utilized to establish fully loaded (identification of FTE equivalent or hours for all resources) Contractor resource staffing commitments and to detail specific County resources which will guide County on how best to allocate and deploy staff to this Agreement. Notwithstanding the forgoing, this is a fixed fee engagement and the Contractor resources identified in the Project Staffing and Resource Management Plan do not limit the resources that may be required by Contractor.

3. GENERAL RESPONSIBILITIES

For the Services described in this SOW:

- (A) The Services will be performed by Contractor on-site at sites designated by County and off-site at location(s) as agreed to by the Parties in writing for specific activities.

- (B) Contractor shall provide designated full-time on-site key personnel to deliver the Services during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, Monday through Friday, except County and Contractor recognized holidays, unless otherwise agreed by the Parties in writing. Contractor personnel that are not on-site will also be available during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, unless otherwise agreed by the Parties in writing.
- (C) Contractor shall utilize its preferred service delivery methodology, templates, and other tools as required to support the efficient and cost effective execution of the Services defined in this SOW to the extent its preferred service delivery methodology is not inconsistent with the Agreement.
- (D) Contractor shall provide all Services in English.

4. TASKS

Contractor shall be responsible for performing the following tasks as to the Services to be provided under this SOW as Optional Work.

<p>Task 1 Implement Licensed Software Configuration Requests</p> <p>Contractor shall implement County Licensed Software, including Third Party Products, configuration and other approved non-source code requests in accordance with change management processes developed in Task 2 (Provide Technology Change Management) as requested by County, including:</p> <ul style="list-style-type: none"> • Modification to existing orders, tasks, preferences, users, etc.; and • Bundled Licensed Software configuration requests resulting from changes to County systems and which require multiple configuration modifications (e.g., remodeling a floor in a County facility). <p>Contractor shall provide County with a detailed requirements document for requested configuration changes and other non-source code changes that are requested to the Licensed Software including Third Party Products. The design document will include:</p> <ul style="list-style-type: none"> • Design considerations; • Build steps; • Integration points; and • Steps to validate the change, including training, and communication needs. <p>Contractor shall analyze each request and provide County with a proposed implementation schedule. Contractor shall implement requests based on</p>	<p>Deliverable 1 Implemented Licensed Software Configuration Requests</p> <ul style="list-style-type: none"> • Implemented Licensed Software, including Third Party Products, configuration requests. • Weekly calls and monthly reports. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Licensed Software configuration requests are implemented as described in Task 1 (Implement Licensed Software Configuration Requests).
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<p>County-Approved prioritization and implementation schedule, and work with County to coordinate the move to production.</p> <p>Contractor shall provide a centralized tracking system to track requests.</p> <p>Contractor shall conduct weekly calls with County to discuss configuration request activities and related issues.</p> <p>Contractor shall report monthly on configuration requests, including the tracking and reporting of any issues.</p>	
<p>Task 2 Provide Technology Change Management</p> <p>Contractor shall design and implement a formal process for managing configuration and technology changes made to System Software and Third Party Products, including:</p> <ul style="list-style-type: none"> • Coordination of configuration and technology changes with County operation team; • Communication between Support Services and County operations team; • Criteria and processes for “hand off” of configuration and technology change management procedures from Contractor’s Project team to Contractor’s Support Services team; • Configuration and technology change management procedure including submission, analysis and prioritization of requests; • Quarterly, or as requested by County or by Change Order/Notice, configuration and technology change Approval meetings; • Execution of configuration and technology change; and • Validation of configuration and technology change. <p>Contractor shall assist County in establishing a Configuration and Technology Change Control Board, including:</p> <ul style="list-style-type: none"> • Criteria for identifying representatives to comprise County’s Configuration and Technology Change Control Board and County responsibilities; and • Recommendations for governance structure and processes to support configuration and technology change management activities and meetings. <p>Contractor shall work with County to establish and</p>	<p>Deliverable 2 Technology Change Management</p> <ul style="list-style-type: none"> • Configuration and technology change management. • Quarterly calls, or as requested by County or by Change Order/Notice, and monthly reports. • Configuration and Technology Change Control Board. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Configuration and technology change management addresses all elements described in Task 2 (Provide Technology Change Management).

mutually agree upon configuration and technology change control process.

Contractor shall provide configuration and technology change management services, including:

- Participating on Configuration and Technology Change Control Board to provide advice and direction to change requests;
- Providing and maintaining an automated change management system to report and track changes made by Contractor;
- Providing ongoing management, including project plans and transition plan;
- Providing reporting to County on change management;
- Developing a production change schedule and review with County;
- Providing risk management analysis, mitigation, and remediation;
- Testing all changes to Application Software prior to moving them to production in accordance with the requirements of this Statement of Work;
- Testing application Enhancements, Error Corrections, Upgrades and other Revisions in accordance with the requirements of this Statement of Work;
- Developing test scripts and test data in accordance with the requirements of this Statement of Work; and
- Developing training materials.

Contractor shall develop communication and processes for Approval of Production Environment Change Authorization.

Contractor shall conduct weekly calls with County to discuss configuration and technology change management activities and related issues.

Contractor shall report monthly on configuration and technology change management, including the tracking and reporting of any issues.

Task 3 Provide Configuration Management

Contractor shall provide configuration management of the System supported under this Agreement, including:

- Identifying, controlling, maintaining, and verifying installed hardware, Application Software including Customizations, and Interfaces;
- Verifying configuration records against the infrastructure and correcting any exceptions, and provide configuration records in centralized location;
- Developing and maintaining configuration management policies, and procedures;
- Establishing and maintaining process for tracking configuration changes;
- Establishing and maintaining guidelines for physical and logical separation between development, test, and production domains;
- Establishing and maintaining process for deploying and backing out of configuration items;
- Establishing and maintaining configuration baselines as reference points for rebuilds;
- Providing ability to revert to stable configuration states;
- Establishing and maintaining process for verifying the accuracy of configuration items, adherence to configuration management processes, and identifying process deficiencies; and
- Providing County Configuration Management Reports as required and defined by County configuration management.

Contractor shall conduct weekly calls with County to discuss configuration management activities and related issues.

Contractor shall report monthly on configuration management activities, including the tracking and reporting of any issues.

Deliverable 3 Configuration Management

- Configuration management.
- Configuration Management Reports.
- Weekly calls and monthly reports.

Acceptance Criteria:

- Configuration Management addresses all elements described in Task 3 (Provide Configuration Management).



SCHEDULE A.6 (REVISION MANAGEMENT OPTIONAL
WORK STATEMENT OF WORK)

OF

EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE A.6

REVISION MANAGEMENT OPTIONAL WORK STATEMENT OF WORK

1. INTRODUCTION

This Schedule A.6 (Revision Management Optional Work Statement of Work) (sometimes referred to herein as “**this SOW**”) is an attachment and part of to the QuadraMed Affinity Corporation Agreement (the “**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation and is incorporated into the Agreement by reference hereof. In the event of conflicting terms between the Agreement and this SOW, the terms of the Agreement shall prevail and nothing in this SOW shall modify or amend any provisions of the Agreement (including all components such as Statements of Work, Service Level Agreements, Exhibits, etc.) unless such modifications or amendments and the provisions of the Agreement which they modify or amend are specifically identified in this SOW and are Approved. This SOW includes any attachments and schedules hereto. Unless specifically defined in this Schedule, capitalized terms used herein shall have the meanings set forth in the Agreement.

All of the tasks, subtasks, deliverables, goods, and other services required or requested by County below are included as part of the Services. This SOW aggregates tasks and subtasks that are a subset of both the broad definition of Services set forth in the Agreement, and the specific Services associated with this SOW. Where a fixed fee is to be applied, whether or not additional Services, not specifically included in any Statement of Work, are needed to successfully deliver the Services and System Software as required under the Agreement, such Services are required to be delivered by Contractor and are included in the fixed fee.

This SOW provides a description of the nature of the work required, but does not provide an exhaustive list of every task or subtask necessary for provision of Services under this Exhibit A (Statement of Work). The completion of any fixed fee Services in a period of time shorter or longer than that specified below shall not increase the fixed fee.

2. SOW SUMMARY

2.1 Overview.

This SOW sets forth Optional Work to be provided by Contractor in accordance with Section 4.3 (Optional Work) of the Agreement for revision management.

2.2 SOW Team Structure and Resources

Upon request by County, Contractor shall provide a Project Staffing and Resource Management Plan. This plan will be utilized to establish fully loaded (identification of FTE equivalent or hours for all resources) Contractor resource staffing commitments and to detail specific County resources which will guide County on how best to allocate and deploy staff to this Agreement. Notwithstanding the forgoing, this is a fixed fee engagement and the Contractor resources identified in the Project Staffing and Resource Management Plan do not limit the resources that may be required by Contractor.

3. GENERAL RESPONSIBILITIES

For the Services described in this SOW:

- (A) The Services will be performed by Contractor on-site at sites designated by County and off-site at location(s) as agreed to by the Parties in writing for specific activities.

- (B) Contractor shall provide designated full-time on-site key personnel to deliver the Services during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, Monday through Friday, except County and Contractor recognized holidays, unless otherwise agreed by the Parties in writing. Contractor personnel that are not on-site will also be available during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, unless otherwise agreed by the Parties in writing.
- (C) Contractor shall utilize its preferred service delivery methodology, templates, and other tools as required to support the efficient and cost effective execution of the Services defined in this SOW to the extent its preferred service delivery methodology is not inconsistent with the Agreement.
- (D) Contractor shall provide all Services in English.

4. TASKS

Contractor shall be responsible for performing the following tasks as to the Services to be provided under this SOW as Optional Work.

<p>Task 1 Implement New Releases and System Software Upgrades</p> <p>Contractor shall manage and implement System Software and Third Party Product Revisions, including Revisions for compliance with regulatory updates and statutory changes. Contractor shall create Revision Plans, including:</p> <ul style="list-style-type: none"> • Revision Management Plan; • Technical assessment of all County systems affected by Revision; • Functional assessment of all County systems affected by Revision; • Impact of the change, including required County workflow changes and training needs; • Test plan; • Back out plan; • Test scripts; • Validation of code packages upon the install of the package; and • Training to County team on Revisions to the extent as reasonably requested by County. <p>Contractor and County will jointly determine Revision schedule and time of implementation. Contractor shall conduct regression testing. County will conduct integration testing with remote support from Contractor. Contractor shall resolve problems/incidents found in Regression or integration testing. Contractor shall provide a list of changes that may</p>	<p>Deliverable 1 New Releases and System Software Upgrades</p> <ul style="list-style-type: none"> • Revision Management Plan. • New releases, Licensed Software Upgrades and other Revisions. • Regression testing (see Task 3 Perform Regression Testing). <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • New Releases, Application Software Upgrades, and other Revisions are implemented as described in Task 1 (Implement New Releases and System Software Upgrades).
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<p>require County to update its training. Contractor shall provide a dedicated Revision team (upgrade center) to manage all Contractor processes and activities related to the Revision.</p>	
<p>Task 2 Select Regression Test Scripts, Test Scenarios, Test Cycles, and Common Test Data Contractor will perform Regression Testing activities at a minimum when:</p> <ul style="list-style-type: none"> • New domains are created; • Existing domains are refreshed; • Code is loaded into a domain; • A configuration change occurs; • Hardware and operating system changes occur; and • Data conversion occurs. <p>Contractor will:</p> <ul style="list-style-type: none"> • Identify appropriate regression test scripts and in developing any further test scripts that may be required for Regression Testing; • Assess selected test scripts for completeness and accuracy related to Regression Testing and document gaps; • Develop draft test cycle control sheet detailing when and by whom test cycles will be executed and submit it to County for feedback; and • Provide support by responding to all County ad hoc calls and emails in a timely manner to address questions as they arise. 	<p>Deliverable 2 Regression Test Scripts, Test Scenarios, Test Cycles, and Common Test Data</p> <ul style="list-style-type: none"> • Regression Test scripts. • Test cycle control sheet. • Common test data loaded into test environment database. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • County Approved test scripts and test scenarios. • County verification that common test data required to complete all test scripts has been identified, developed, and loaded. • County Approved test cycle control sheets.
<p>Task 3 Perform Regression Testing Contractor will provide Regression Testing activities. Contractor Services will include:</p> <ul style="list-style-type: none"> • Regression testing activities in accordance with test plan and test scripts; • Maintain a log of Deficiencies and defects; • Resolve all Deficiencies and defects as applicable; • Regularly communicate with County regarding status and schedule of regression testing; and • Document test results. <p>Contractor will monitor status and schedule of Regression Testing and support re-testing resolved Deficiencies and defects. Contractor will provide Regression Testing Summary Reports that include:</p>	<p>Deliverable 3 Completed Regression Testing</p> <ul style="list-style-type: none"> • Regression Testing complete. • Test documentation including complete Deficiency and defect log with documented resolution and Regression Testing Summary Reports. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Contractor validated completion of regression testing and resolution of all Deficiencies and defects.

<ul style="list-style-type: none">• Regression testing progress update;• Review of open issues; and• Strategy and schedule for resolution of Defects.	
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SCHEDULE A.7 (INTERFACE SUPPORT OPTION
WORK STATEMENT OF WORK)

OF

EXHIBIT A (STATEMENT OF WORK)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE A.7

INTERFACE SUPPORT OPTIONAL WORK STATEMENT OF WORK

1. INTRODUCTION

This Schedule A.7 (Interface Support Optional Work Statement of Work) (sometimes referred to herein as “**this SOW**”) is an attachment and part of to the QuadraMed Affinity Corporation Agreement (the “**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation and is incorporated into the Agreement by reference hereof. In the event of conflicting terms between the Agreement and this SOW, the terms of the Agreement shall prevail and nothing in this SOW shall modify or amend any provisions of the Agreement (including all components such as Statements of Work, Service Level Agreements, Exhibits, etc.) unless such modifications or amendments and the provisions of the Agreement which they modify or amend are specifically identified in this SOW and are Approved. This SOW includes any attachments and schedules hereto. Unless specifically defined in this Schedule, capitalized terms used herein shall have the meanings set forth in the Agreement.

All of the tasks, subtasks, deliverables, goods, and other services required or requested by County below are included as part of the Services. This SOW aggregates tasks and subtasks that are a subset of both the broad definition of Services set forth in the Agreement, and the specific Services associated with this SOW. Where a fixed fee is to be applied, whether or not additional Services, not specifically included in any Statement of Work, are needed to successfully deliver the Services and System Software as required under the Agreement, such Services are required to be delivered by Contractor and are included in the fixed fee.

This SOW provides a description of the nature of the work required, but does not provide an exhaustive list of every task or subtask necessary for provision of Services under Exhibit A (Statement of Work). The completion of any fixed fee Services in a period of time shorter or longer than that specified below shall not increase the fixed fee.

2. SOW SUMMARY

2.1 Overview.

This SOW sets forth Optional Work to be provided by Contractor in accordance with Section 4.3 (Optional Work) of the Agreement for interface support.

2.2 SOW Team Structure and Resources

Upon request by County, Contractor shall provide a Project Staffing and Resource Management Plan. This plan will be utilized to establish fully loaded (identification of FTE equivalent or hours for all resources) Contractor resource staffing commitments and to detail specific County resources which will guide County on how best to allocate and deploy staff to this Agreement. Notwithstanding the forgoing, this is a fixed fee engagement and the Contractor resources identified in the Project Staffing and Resource Management Plan do not limit the resources that may be required by Contractor.

3. GENERAL RESPONSIBILITIES

For the Services described in this SOW:

- (A) The Services will be performed by Contractor on-site at sites designated by County and off-site at location(s) as agreed to by the Parties in writing for specific activities.

- (B) Contractor shall provide designated full-time on-site key personnel to deliver the Services during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, Monday through Friday, except County and Contractor recognized holidays, unless otherwise agreed by the Parties in writing. Contractor personnel that are not on-site will also be available during normal business hours, 8:00 AM to 5:00 PM, Pacific Time, unless otherwise agreed by the Parties in writing.
- (C) Contractor shall utilize its preferred service delivery methodology, templates, and other tools as required to support the efficient and cost effective execution of the Services defined in this SOW to the extent its preferred service delivery methodology is not inconsistent with the Agreement.
- (D) Contractor shall provide all Services in English.

4. TASKS

Contractor shall be responsible for performing the following tasks as to the Services to be provided under this SOW as Optional Work.

<p>Task 1 Provide Interface Support Contractor shall provide, upon County’s request, Interface support for the System supported under this Agreement, including but not limited to:</p> <ul style="list-style-type: none"> • HL-7 Interface development; • X-2 EDI Interface development; • 837 EDI Interface development; • All outbound Interfaces queue counts and status to ensure active outbound Interfaces are operational as specified; • All inbound Interfaces status to ensure active inbound Interfaces are operational as specified; • Maintaining and updating Interfaces; • Developing Interface Documentation including diagrams and schematics; • Providing feedback on Interface specifications for new Interfaces and supporting County with development of project plan for new Interface support. <p>For the purpose of auditing and billing inquiry, provide the ability to XML interface of patient account histories and transactions to Quantim.</p> <p>Contractor shall conduct monthly calls with County to discuss Interface management activities and related issues.</p> <p>Contractor shall report monthly on Interface management, including the tracking and reporting of any issues.</p>	<p>Deliverable 1 Interface Support</p> <ul style="list-style-type: none"> • Interface support. • Weekly calls and monthly reports. <p>Acceptance Criteria:</p> <ul style="list-style-type: none"> • Interface Support addresses all elements described in Task 1 (Provide Interface Support).
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EXHIBIT B (SERVICE LEVEL AGREEMENT)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT B
SERVICE LEVEL AGREEMENT

This Exhibit B (Service Level Agreement) sets forth the Service Levels and other requirements to be met and achieved by Contractor regarding the System in provision of Maintenance and Support Services under the Agreement.

1. SCOPE OF SERVICES

1.1. Description

Contractor shall provide Maintenance and Support Services in accordance with the requirements set forth in the body of the Agreement, Exhibit A (Statement of Work), and this Exhibit B (Service Level Agreement).

1.2. Definitions

Except as provided in this Exhibit B (Service Level Agreement), capitalize terms shall have the meaning set forth in the body of the Agreement together with all Exhibits and Attachments, including Exhibit D (Glossary)

As used herein, the term "Corrective Action Plan" shall have the meaning set forth in Section 8 (Corrective Action Plan).

As used herein, the term "Critical Path Item" shall have the meaning set forth in Section 5.4.D (Resolution).

As used herein, the term "Cross-Over Issues" shall have the meaning set forth in Section 2.4 (Cross-Over Issues).

As used herein, the term "Monthly Maintenance and Support Services Fees" shall mean, for a particular month, the sum of (1) the fees set forth in the Schedules in Exhibit C (Payment Schedule) for "Maintenance and Support" for such month, and (2) any additional fees for Maintenance and Support Services set forth under a Change Order or Amendment.

As used herein, the term "Respond" shall have the meaning set forth in Section 2.2 (System Support).

As used herein, the term "Service Level Credit" shall have the meaning set forth in Section 6.A (Service Level Credits) in this Exhibit B (Service Level Agreement).

As used herein, the terms "System Support Request Tracking System" and "SRTS" shall mean Contractor's system for reporting, tracking, and monitoring resolution of System problems reported by County or identified by Contractor as set forth in Section 5.C (Support Request Tracking System).

As used herein, the term "Severity Level" shall have the meaning set forth in Section 5.1 (Identification of Deficiencies).

As used herein, the term "Support Hours" shall mean Monday through Friday 8:00 AM to 5:00 PM (PST). Critical Deficiencies occurring outside of the Support Hours are handled via 24x7x365 afterhours support.

2. MAINTENANCE AND SUPPORT SERVICES

2.1. General

Contractor shall provide all goods, services and other Services as necessary in order to maintain the System in accordance with the requirements set forth in Exhibit A (Statement of Work), System Requirements, and other Specifications, and as otherwise provided in the Agreement (as defined in the Agreement collectively, "**Maintenance and Support Services**"). As part of Maintenance and Support Services, Contractor shall: (a) correct Deficiencies, including compatibility issues among System components themselves and/or among System components and the County's environment; (b) provide Revisions to the System, including Application Software; (c) provide support for the System, including through Contractor's help desk; and (d) provide release notes and manuals that are made available by Contractor to all of its customers. Contractor will provide appropriate training to County application support staff with respect to periodic Software Updates, major software Releases, or any other Revisions that involve significant new or different functionality or procedures, as set forth in an applicable Change Order or Amendment for such Optional Work.

2.2. System Support

Contractor shall provide operational support for the System in the production and one (1) support environment during the Support Hours, including, without limitation, through Contractor's help desk. Such operational support shall include troubleshooting and provision of all goods and/or services as necessary to correct any problems and to remedy all Deficiencies.

Without limiting Contractor's obligations to respond to and to remedy Deficiencies, Contractor shall provide a live response (i.e. not automated) to each telephone and email message left or issue logged by County through the Contractor's help desk, Support Request Tracking System ("**SRTS**") or otherwise as follows:

- (a) during Support Hours, (i) within thirty (30) minutes for Severity Level 1 Deficiencies, (ii) within two (2) hours for Severity Level 2 Deficiencies, (iii) within one (1) business day for Severity Level 3 Deficiencies, and (iv) within two (2) business days for Severity Level 4 Deficiencies; and
- (b) during afterhours, Severity Level 1 Deficiencies will be responded to within thirty (30) minutes.

(A) Response Time Service Level.

Response time shall be measured from the time when County initiates a support request through Contractor's help desk, SRTS or otherwise until the time Contractor has Responded to the support request. "**Respond**" means that Contractor (A) has engaged on the support request; (B) is working continuously: (i) to diagnose the corresponding Severity Level 1 Deficiencies only as long as County resource is available to work with Contractor, (ii) to formulate a plan to address any such Deficiencies, and (iii) as appropriate to initiate execution of the plan; and all other Severity levels will be addressed as appropriate to address the nature and impact of the Deficiency; and (C) has notified the County user originating the support request that such support has begun in the manner requested by the user originating the support request (e.g., e-mail, phone) or, if a specific means of communication is not requested, using direct interactive (person to person) method of communication to achieve contact with such user (e.g., no email or automated voicemail).

Support Request Classification	Service Level Metric (Response Time)	Service Level Credits
SEVERITY LEVEL 1: CRITICAL	100% thirty (30) minutes measured from the time when Contractor receives the support request by telephone from County	\$500 per incident
SEVERITY LEVEL 2: SEVERE	100% two (2) hours measured from the time when Contractor receives the support request by telephone from County	\$250 per incident

County will provide Contractor with information and assistance reasonably requested by Contractor as necessary to detect, simulate, and correct any Deficiency or other failure of the System to operate in accordance with System Requirements or other Specifications; however, County's failure to provide requested information or assistance shall not waive or otherwise limit the Contractor's obligations to respond.

2.3. Revisions

Contractor shall provide Revisions to the System, including System Software (and related Documentation) and Services to keep current with Contractor's technology standards, industry standards including applicable Updates, Versions, Releases, or Enhancements. Additionally, Contractor shall, at all times, provide Revisions to the System that do not adversely impact the functionality of the System Software as implemented at the County, and to provide functionality to maintain compliance with applicable federal and State laws, rules and regulations. Upon County's request, Contractor may provide Revisions to the System as Optional Work to provide functionality to maintain compliance with local (i) laws, (ii) rules and (iii) regulations.

Additionally, Contractor shall offer to County each Revision, concurrently with or promptly after a Revision is released to its general customer base. If Contractor releases a Revision that includes functionality that is equivalent to or can substitute functionality provided to the County by an SDR or any other Customizations or New Software, Contractor must, within thirty (30) days of releasing such Revision to its general customer base, provide notice to the County of such equivalent or substitute functionality included in the Revision.

Contractor shall support one (1) Live and one (1) Support environment per facility with environments on the current Version Release or one Version Release back.

2.4. Cross-Over Issues

Contractor acknowledges that it will be delivering the System in a multi-vendor environment, with County and third-party vendors providing services relating to the System. Effective operation of such an environment requires not only the cooperation among all service providers, including Contractor, but also

collaboration in addressing service-related issues that may cross over from one service area or provider to another and related to the Services (“**Cross-Over Issues**”). As part of the Maintenance and Support Services, Contractor will actively provide and support tasks associated with operating and maintaining a collaborative approach to Cross-Over Issues in the same manner as if the Contractor Services relevant to the Cross-Over Issue were being provided in-house by County rather than by Contractor.

3. CHANGE MANAGEMENT

Contractor shall follow the change management process approved by County under the Agreement to manage all changes to the System and System environment. All changes related to the System environment require prior Approval by County’s Project Manager or his or her designee and Documentation by Contractor. Changes to the System that are Revisions shall be handled in accordance with this Exhibit B (Service Level Agreement). All other changes to the System (e.g. software modifications) shall be handled in accordance with Section 13.0 (Changes to Agreement) of the Agreement.

4. SECURITY

In the event of an attack or threatened or suspected breach of security to County System through Contractor’s system, or attributable to Contractor or any of its Subcontractors, Contractor will take whatever reasonable steps that are necessary to halt such action. Contractor will immediately contact the person designated by County to discuss what measure to take. However, if time is critical, action may be required before the contact can be reached. Contractor’s actions will include, as appropriate:

- (A) Confirm the threat;
- (B) Deny access from the source of the attack;
- (C) Investigate the extent of the damage, if any;
- (D) Strengthen defenses everywhere in Contractor’s system, not just the suspected path that the attacker used;
- (E) Contact the Contractor’s ISP where the threat or attack originated and/or law enforcement to work with Contractor’s security team;
- (F) Produce an error report within twenty-four (24) hours detailing Contractor’s findings; and
- (G) Continue to monitor traffic from that source until risk of further attacks is deemed to be minimized.

5. DEFICIENCY RESOLUTION

5.1. Identification of Deficiencies

Upon discovery of a Deficiency by County, County will report the Deficiency as provided in Section 2.2 (System Support) above. Upon discovery of a Deficiency by Contractor, Contractor will contact County to identify and initiate resolution.

If a Deficiency of Severity Level 1 or 2 is identified by Contractor, Contractor shall notify County as soon as possible.

If a Security Incident as defined in the Exhibit H (Business Associate Agreement) or other security problem in the System (e.g., “back door” or other intrusion-related problem) is identified by Contractor, Contractor

shall provide to County within the time frame specified in Exhibit H (Business Associate Agreement) of Contractor’s knowledge of the existence of such security problem, either a Software Update curing such security problem or a workaround and a mitigation plan approved by County’s Project Director for curing such security problem.

The Severity Level of a Deficiency will be assigned by the County as specified in the descriptions of Deficiency in Table 1.0 of Section 5.2 (Severity Level Deficiency Definitions and Resolution Time Requirements) below (each a “**Severity Level**”). Based on Contractor’s proposed solution to correct the Deficiency and/or any proposed workaround(s) for the Deficiency, County may, in its sole discretion, escalate or downgrade the Severity Level of the Deficiency pursuant to Section 5.4 (Resolution of Deficiencies) below.

5.2. Severity Level Deficiency Definitions and Resolution Time Requirements

County (through its authorized staff identified under Section 5.4.A (Resolution Process) below) shall report each Deficiency. Contractor shall resolve such Deficiencies as to the Systems in production within the timeframes as follows:

Table 1.0

Severity Level	DESCRIPTION OF DEFICIENCY	RESOLUTION TIME REQUIREMENT (SUBJECT TO ESCALATION BY COUNTY)
SEVERITY LEVEL 1: CRITICAL	<ol style="list-style-type: none"> 1. Issue affecting entire system or single critical production function; 2. System down or operating in materially degraded state; 3. Patient safety risk; 4. Patient care affected across multiple patients; 5. Imminent threat to data integrity; 6. Material financial impact; 7. Declared a Critical Support Request by the County Health Agency CIO or designee (to be exercised reasonably and in good faith); and/or 8. Widespread access interruptions. 	Resolution or reasonable workaround to be provided within eight (8) hours beginning at Contractor Response Time or upon discovery of Deficiency by Contractor, whichever occurs first.
SEVERITY LEVEL 2: SEVERE	<ol style="list-style-type: none"> 1. Primary workflow module failure that materially impairs system performance; and/or 2. Data entry or access is materially impaired on a limited basis. 3. A previously classified Severity 	Resolution or reasonable workaround to be provided within twenty-four (24) hours beginning at Contractor Response Time, or upon discovery of Deficiency by Contractor,

Severity Level	DESCRIPTION OF DEFICIENCY	RESOLUTION TIME REQUIREMENT (SUBJECT TO ESCALATION BY COUNTY)
	Level 1: Critical Support Request that has a workaround acceptable to the County allowing for a downgrade to Severity Level 2: Severe.	whichever occurs first. If Contractor is notified of the Severity Level 2 Deficiency on a weekend or a holiday, then the resolution time begins on the first regular County business hour after the weekend or holiday.
SEVERITY LEVEL 3: MINOR	System is operating with minor issues that can be addressed with a workaround.	Resolution or reasonable workaround to be provided within four (4) calendar days beginning at Contractor Response Time or upon discovery of Deficiency by Contractor, whichever occurs first.
SEVERITY LEVEL 4: ROUTINE	Requests for assistance, information, or services that are routine in nature.	Earlier of (a) the next Version Release provided such Version Release is not scheduled to be provided within the next three (3) months or (b) within twelve (12) months of when County reports Deficiency to Contractor or upon discovery of Deficiency by Contractor, whichever occurs first.

5.3. Support Request Tracking System

(A) For use in responding to County's maintenance and support requests, Contractor shall maintain an automated customer portal with a description of each support request, response, and status. Contractor shall regularly review and update all open support requests and follow up on unresolved support requests. Contractor will provide County with access to the customer portal where the County can review all open and closed cases as well as create case notes. Each support request shall be detailed in an Internet accessible support request report, in an exportable format agreed upon by County, and shall include the following information:

- Identification Number. An automatically assigned unique identification number, which shall be used to track, document and respond to inquiries relating to a specific support request;

- Date and Time. The date and time the support request was initiated, which shall be used to document and/or monitor overall response and resolution time;
- Service Case Title. Title used to describe Deficiency being reported;
- Service Request Component. The support request component (e.g., specific function that is deficient), as assigned by County; and
- Status Reason. The current status of the support request (e.g., open or closed).

(B) Contractor shall maintain a historical knowledge base of Services-related problems to identify patterns and facilitate timely resolution.

5.4. Resolution of Deficiencies

(A) Resolution Process

The following shall be the process for tracking and/or resolving the Deficiencies.

- (i) Contractor shall have an industry-recognized SRTS for Deficiency reporting and tracking.
- (ii) County's Project Director or his or her designee will identify County staff authorized to access and initiate incident reports and Support Requests through the Contractor's customer portal.
- (iii) The Severity Level of the Deficiency shall be assigned by County, in accordance with Table 1.0 of Section 5.2 (Severity Level Deficiency Definitions and Resolution Time Requirements) above. The identification and Severity Level assignment of Deficiencies shall be subject to the provisions of Section 5.2 (Severity Level Deficiency Definitions and Resolution Time Requirements) above.
- (iv) Contractor shall commence to develop a workaround or a fix, if applicable, and maintain a sustained level of effort until such workaround or fix is available.
- (v) Contractor's help desk will address each reported or identified incident in accordance with this Exhibit B (Service Level Agreement).
- (vi) Systems patched for a security problem or mitigated with a workaround must be tested for effectiveness and the results of such tests shall be provided to County.

(B) Response

Contractor shall either resolve or escalate a Deficiency reported by County in accordance with this Exhibit

B (Service Level Agreement).

(C) Escalation

County or Contractor may escalate the Severity Level of a Deficiency as necessary for resolution. Contractor shall assist County with all aspects of Maintenance and Support Services and Deficiency resolution and escalation, as required by County.

If any Deficiency is not resolved within the applicable resolution time set forth in Section 5.2 (Severity Level Deficiency Definitions and Resolution Time Requirements), in addition to other remedies available to County under specified in the Agreement, not just limited to those specified in this Exhibit B (Service Level Agreement), County's Project Director or designee shall have the right to escalate the problem to the next more severe Severity Level as set forth in this Exhibit B (Service Level Agreement).

(D) Resolution

Contractor shall resolve each Deficiency reported hereunder in accordance with the applicable resolution time specified in Section 5.2 (Severity Level Deficiency Definitions and Resolution Time Requirements). The time for resolving each Deficiency shall start when County notifies Contractor of such Deficiency as provided in Section 2.2 (System Support) above, or upon discovery of Deficiency by Contractor, whichever occurs first, and shall end as to Severity Level 1 and Severity Level 2 Deficiencies when Contractor corrects the Deficiency and submits resolution of such Deficiency to County's Project Director or his or her designee for Approval, provided such confirmation is thereafter so provided by County without prior rejection by County or significant delay in County's Approval thereof.

The measurement of time to resolve may be suspended during such time as there is a failure by County to provide Contractor information deemed in writing by the Parties to be a Critical Path Item to the resolution of issue at the time of the Contractor's request for such information was made to County. For purposes of this Section, a "**Critical Path Item**" is a significant action or item of information which Contractor cannot take or obtain without County's assistance and on which subsequent activities toward the resolution at issue are dependent. In the event Contractor claims a suspension of the measurement of time to resolve under this paragraph, it shall notify County, by posting in SRTS the time and reason for such action at the time the suspension determination is made. The suspension of measurement of time to resolve shall end upon communication by County to Contractor that the Critical Path Item has been completed.

Contractor acknowledges that, as part of corrective measures to resolve a Deficiency, Contractor may be required to repair, replace or reinstall all or any part of the System, provide other material or update the System, including but not limited to the System environment, in order to remedy such Deficiency.

Contractor shall assign a Contractor technical support team member to diagnose and determine the course of action to resolve Deficiencies. Contractor shall maintain ongoing communication with County regarding the status of correction of all Deficiencies reported or discovered. In addition, County may contact Contractor personnel to inquire about the status of resolution of any Deficiency.

County will have appropriate resources available throughout the duration of each Deficiency to provide reasonable cooperation and assistance to Contractor.

6. SERVICE LEVEL CREDITS FOR UNACHIEVED SERVICE LEVELS

Failure to achieve any of the Service Levels defined within this Exhibit B (Service Level Agreement) shall constitute a “**Service Level Failure**” and the County shall receive the Service Level Credits against the applicable monthly Maintenance and Support Fees. If more than one (1) Service Level Failure has occurred in a single month, the sum of the corresponding Service Level Credits shall be credited to County.

7. SERVICE LEVEL AUDITS

County will have the right to audit Contractor’s measurement, monitoring, and reporting on all Service Levels, including providing County with access to the complete data used by Contractor to calculate its performance against the Service Levels and the measurement and monitoring procedures utilized by Contractor to generate such data for purposes of audit and verification.

8. CORRECTIVE ACTION PLAN

In the event two (2) or more Critical Support Requests occur on related issues in any thirty (30) calendar day period during the Term of the Agreement, Contractor shall promptly investigate the root causes of such support issues and shall provide to County within five (5) business days of the occurrence of the second Critical Support Request an analysis of such root causes and a proposed corrective action plan for County’s review, comment, and approval (the “**Corrective Action Plan**”). The Corrective Action Plan shall include, at a minimum: (a) a commitment by Contractor to devote the appropriate time, skilled Contractor personnel, systems support and equipment, and/or resources to remedy, and prevent any further occurrences of Critical Support Request issues; and (b) time frames for implementation of the Corrective Action Plan. There shall be no additional charge (other than those fees set forth in the Agreement) for Contractor’s implementation of such Corrective Action Plan in the time frames and manner set forth in the Corrective Action Plan.



SCHEDULE B.1 (DATA ENCRYPTION CERTIFICATE)

OF

EXHIBIT B (SERVICE LEVEL AGREEMENT)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION SYSTEMS
MAINTENANCE AND SUPPORT SERVICES

SCHEDULE B.1

DATA ENCRYPTION CERTIFICATE

Contractor shall provide information about its encryption practices by completing this Schedule B.1 (Data Encryption Certificate). By signing this Schedule B.1 (Data Encryption Certificate), Contractor certifies that it shall be in compliance with the Los Angeles County Board of Supervisors Policy 5.200 (Contractor Protection of Electronic County Information) upon the Effective Date and during the term of the Agreement.

**DOCUMENTATION
AVAILABLE**

COMPLIANCE QUESTIONS	YES	NO	YES	NO
1) Will County data stored on your workstation(s) be encrypted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2) Will County data stored on your laptop(s) be encrypted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3) Will County data stored on removable media be encrypted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4) Will County data be encrypted when transmitted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5) Will Contractor maintain a copy of any validation/attestation reports generated by its encryption tools?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6) Will County data be stored on remote servers*? <i>*cloud storage, Software-as-a-Service or SaaS</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Kent L. Hargrave

Official's Name

EVP

Official's Title

Kent L. Hargrave

Official's Signature



EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT C
PRICING TERMS

This Exhibit C (Pricing Terms) is an attachment and part of to the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services (“**Agreement**”) by and between the County of Los Angeles (“**County**”) and QuadraMed Affinity Corporation (“**Contractor**”) dated for reference purposes as of the Effective Date. Unless specifically defined in this Exhibit, capitalized terms shall have the meanings set forth in the Agreement.

1. INTRODUCTION

The fundamental premise of the fee and pricing structure under the Agreement is that all elements of the System, including the System Software, System Hardware, Third Party Software, Services, Maintenance and Support Services, Professional Services, and any Optional Work and any other Services provided by Contractor under the Agreement are paid for only in the amount, and solely through the contractually specified mechanisms for payment of the fees (the “**Authorized Billing and Payment Mechanisms**”) set forth in this Exhibit C (Payment Terms), regardless of whether or not all costs or expenses to Contractor for providing a specific element of the System, Services, or other work can be directly traced to, or are captured by, an Authorized Billing and Payment Mechanism, each described in Section 2 (Authorized Billing And Payment Mechanisms). It is understood and agreed by the Parties that the total amount to be paid by County under the Agreement cannot exceed the Maximum Agreement Sum unless the Maximum Agreement Sum is modified pursuant to a duly Approved Amendment to the Agreement by the Board and Contractor’s authorized representative(s) pursuant to Section 13 (Changes to Agreement) of the Agreement. The Maximum Agreement Sum, which includes Pool Dollars allocated for the provision of Optional Work, is the maximum amount that could be paid, but is not a commitment to pay, under the Agreement.

The amounts to be paid by County under this Agreement through the Authorized Billing and Payment Mechanisms include all Contractor costs, including Contractor overhead, profit margin, and all costs of services, product, and goods delivery within the definition of Services hereunder. The Maximum Agreement Sum is the total amount that is allocated by County for payment under this Agreement, but is not the amount to be paid to Contractor under this Agreement. In the absence of the approval by County of Optional Work, and Amendment approving additional System capabilities; the maximum amount to be paid to Contractor over the Term under this Agreement is Thirty Million Seven Hundred Eleven Thousand Four Hundred Forty-Four Dollars (\$30,711,444).

2. AUTHORIZED BILLING AND PAYMENT MECHANISMS

There are only three (3) Authorized Billing and Payment Mechanisms for payment of the fees under this Agreement. Each of these is detailed in this Section 2 (Authorized Billing and Payment Mechanisms) of this Exhibit C (Pricing Schedule) and listed as follows:

- (i) Recurring Monthly Fees
- (ii) Change Order/Optional Work
- (iii) Amendment

Contractor cannot invoice County under the Agreement except as provided under one of the Authorized Billing and Payment Mechanisms, and will not be entitled to, and will not receive, any payment, except as provided under one of the Authorized Billing and Payment Mechanisms set forth in this Section 2 (Authorized Billing and Payment Mechanisms).

2.1. Recurring Monthly Fees and Discounts

This Exhibit C (Payment Terms) sets forth the timing and amounts of the Recurring Monthly Fees. The total Recurring Monthly Fees amount of Three Hundred Fifty-One Thousand Four Hundred Forty-Nine Dollars (\$351,449), as reflected by Exhibit C.1 (Pricing Schedule) as Total Recurring Monthly Fees and increasing to the amount of Three Hundred Seventy-Six Thousand Two Hundred Twenty-One Dollars (\$376,221) through the Term, are fixed and are not subject to change except as otherwise provided in this Section 2.1 (Recurring Monthly Fees and Discounts). The Recurring Monthly Fees were negotiated between Contractor and County as a material condition under this Agreement to capture all compensation to Contractor for the System Software licenses (including Third Party Software), Services (including Professional Services, Maintenance and Support Services), and System Hardware acquired by County under the Agreement, subject only to (1) the Authorized Billing and Payment Mechanisms, and (2) the following exception: the monthly fees under Schedule C.4 (System Hardware Fee Schedule) are estimates for the actual fees for Maintenance and Support Services for Hardware; actual costs will be passed through to County as charged to Contractor.

The Parties understand and agree that, except as expressly provided for with regard to Optional Work or Pool Dollars or an Amendment derived from one of the Authorized Billing and Payment Mechanisms, there is no concept of a financial change order applicable to the Agreement. The limitations on the concept of a financial change order are intentional and are designed to ensure that the fixed fee elements of the Agreement remain unchanged and predictable throughout the Term.

2.2. Optional Work and Discounts

Payment for the provision of Optional Work shall be as set forth in Section 4.3 (Optional Work) of the Agreement and, as to Professional Services, at the Professional Service Rates for Optional Work set forth in Schedule C.5 (Professional Services Fee Schedule). Contractor has also provided optional pricing for additional Licensed Software, and related Services, as set forth in Schedule C.7 (Optional Work).

The discount percentage to be applied to New Software pursuant to Section 4.3.1 (New Software) of the Agreement shall be based on the discounts provided as of the Effective Date of this Agreement for the System Software. Contractor is committed to offering the County preferred competitive pricing at levels consistent with the pricing provided in this Agreement, and in connection with New Software or other Services, will demonstrate to County the financial factors supporting the preferred pricing provided. The objective of the above is for the County to have confidence that the economic terms provided by Contractor with regard to future transactions are consistent with the preferred terms Contractor has agreed to under this Agreement.

The Agreement allocates a maximum amount of Twelve Million Eight Hundred Fourteen Thousand One Hundred Seven Dollars (\$12,814,107) in Pool Dollars for the provision of Optional Work. Pool Dollars may be used for payment of Optional Work.

2.3. Amendments

Amendments to the Agreement are governed by Section 13.1 (Amendments) of the Agreement.

3. INVOICE DISCOUNTS

Except as otherwise provided in this Exhibit C (Pricing Terms), payments by County to Contractor for Services provided hereunder will occur within thirty (30) days of receipt by County of Contractor's invoice and County approval of the particular invoice. County shall be entitled to a two percent (2%) discount for payments made by County to Contractor within thirty (30) days of receipt by County of Contractor's invoice for such Services, or portions thereof, which are not provided by subcontractors or other third parties under this Agreement.

County's failure to pay within the thirty (30) days, however, shall not be deemed as automatic invoice approval or acceptance by County of any deliverable, service or other Services for which payment is sought, nor shall it entitle Contractor to impose an interest or other penalty on any late payment.



SCHEDULE C.1 (PAYMENT SCHEDULE)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES



SCHEDULE C.2 (SYSTEM SOFTWARE FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.2

SYSTEM SOFTWARE FEE SCHEDULE

Monthly Maintenance and Support Fee per Facility by Year						
2018	2019	2020	2021	2022	2023	2024

Item #	Affinity Revenue Cycle						
1	HUMC						
2	OVUMC						
3	LAC+USCMC						
4	RLAMC						
5	KDMC						
6	HDH						

Item #	Clintegrity 30 (Quantum)						
1	HUMC						
2	OVUMC						
3	LAC+USCMC						
4	RLAMC						
5	KDMC						
6	HDH						

Item #	Legacy PA Duplicate License Access for Modify data ⁽¹⁾						
1	HUMC						
2	OVUMC						
3	LAC+USCMC						
4	RLAMC						
5	KDMC						
6	HDH						

⁽¹⁾ As each facility no longer modifies data in Legacy Patient Accounting (PA), then the County has a perpetual view-only license at no cost for that applicable facility. See Exhibit N (Quadramed Legacy Systems).



SCHEDULE C.3 (THIRD PARTY SYSTEM SOFTWARE FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.3

THIRD PARTY SYSTEM SOFTWARE FEE SCHEDULE

Monthly Maintenance and Support Fee per Facility by Year						
2018	2019	2020	2021	2022	2023	2024

Intersystems HealthShare HS4 Multi-Server, Platform Independent	
1	HUMC 112 concurrent users
2	OVUMC 150 concurrent users
3	LAC+USCMC 150 concurrent users
4	RLAMC 60 concurrent users
5	KDMC 71 concurrent users
6	HDH 50 concurrent users

SQL Server	
1	HUMC
1.1	Microsoft SQL Server 2000 Enterprise Edition Run Time Processor License (QTY 4)
1.2	Microsoft SQL Server 2000 Enterprise Edition Run-Time Client Access License (CAL) (QTY 10)
1.3	SQL Svr Std 2000 1 Processor License Runtime - maximum of 2GB memory (QTY 2)
2	OVUMC
	SQL Server Enterprise Edition RUNTIME 2005 x64 1 Processor License (QTY 4)
	SQL Svr Std 2000 1 Processor License Runtime - maximum of 2GB memory (QTY 2)
3	LAC+USCMC

3.1		Microsoft SQL Server 2000 Enterprise Edition Run Time Processor License (QTY 6)	
3.2		Microsoft SQL Server 2000 Enterprise Edition Run Time Processor License (QTY 2)	
3.3		SQL Svr Std 2000 1 Processor License Runtime - maximum of 2GB memory (QTY 5)	
4	RLAMC	SQL Server Standard 2000 1 processor License Runtime (QTY 2)	
5	KDMC		
5.1		SQL Server Standard Edition 2005 Win32 Runtime (QTY 2)	
5.2		Microsoft SQL Server 2005 Enterprise Edition Run-Time Processor License (QTY 4)	
5.3		Microsoft SQL Server 2005 Enterprise Edition Run-Time Client Access License (QTY 10)	
6	HDH		
6.1		SQL Server Standard Edition 2005 Win32 Runtime (QTY 2)	
6.2		Microsoft SQL Server 2000 Enterprise Edition Run-Time Processor License (QTY 2)	
6.3		Microsoft SQL Server 2000 Enterprise Edition Run-Time Client Access License (QTY 10)	

Item #	SecureLink (Unlimited User)		
1	HUMC		
2	OVUMC		
3	LAC+USCMC		
4	RLAMC		

5	KDMC		
6	HDH		

Item #	SQL Connect (1-16 Concurrent users)		
1	HUMC		
2	OVUMC		
3	LAC+USCMC		
4	RLAMC		
5	KDMC		
6	HDH		



SCHEDULE C.4 (SYSTEM HARDWARE FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.4

SYSTEM HARDWARE FEE SCHEDULE

Monthly Maintenance and Support Fee by Facility by Year						
2018	2019	2020	2021	2022	2023	2024

Hardware Consolidation System Hardware Located at LAC+USCMC and KDMC⁽¹⁾

Affinity Production or ASRS Server (Consolidated Report Server)						
1	HUMC	0.183	[REDACTED]			
2	OVUMC	0.187				
3	LAC+USCMC	0.295				
4	RLAMC	0.103				
5	KDMC	0.154				
6	HDH	0.078				

⁽¹⁾ Estimated System Hardware Monthly Maintenance Fee may be different from actual pass-through amount.



SCHEDULE C.5 (PROFESSIONAL SERVICES FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.5

PROFESSIONAL SERVICES FEE SCHEDULE

Monthly Fee by Year						
2018	2019	2020	2021	2022	2023	2024

<u>Item #</u>	
1	Project Manager/Coordinator
2	Patient Accounting Coordinator



SCHEDULE C.6 (PROFESSIONAL SERVICES RATE CARD)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.6

PROFESSIONAL SERVICES RATE CARD

Role	2018	2019	2020	2021	2022	2023	2024
Level A Project Director							
Hourly Rate							
Monthly Rate							
A Level A individual directs and manages activities of Contractor's staff to accomplish such tasks and objectives as are defined from time to time by Contractor and County. A Level A individual reports to County's Project Director regarding performance, personnel matters, operating standards, systems evaluation, and actions on all activities being performed by Contractor personnel.							
Level B Project Manager							
Hourly Rate							
Monthly Rate							
A Level B individual provides consultation regarding specific tasks and objectives defined from time to time by Contractor and County related to the general operation and support of the System. A Level B individual manages on-site activities of Contractor's staff and monitors quality and productivity standards for such tasks and objectives as are defined by Contractor and County.							
Level C Programmers and Installers							
Hourly Rate							
Monthly Rate							
A Level C individual provides assistance in analysis, design, programming, documentation writing and editing, training, testing, maintenance, review, installation and implementation of original or previously written programs, systems, utilities or functions.							
Level D							
Hourly Rate							
Monthly Rate							
A Level D individual designs and codes programs, assists in testing and debugging of programs, provides technical assistance in problem solving, and provides training services.							
Level E							
Hourly Rate							

Monthly Rate

A Level E individual is responsible for monitoring operation of programs, executing specified functions such as creating tapes or printing reports, performing backup procedures, and, to the extent authorized by Contractor and County, answering system user calls, participating in configuration services, and providing operations training services. A Level E individual is responsible for scheduling tasks and work assignments for Contractor's staff and assisting with supervision and quality monitoring.

Level F

Hourly Rate

Monthly Rate

A Level F individual is responsible for performing assigned technical, data entry and other clerical services to accomplish tasks and objectives as defined by Contractor and County.

Classroom Training rates full day

Classroom Training rates 1/2 day (4 hours)



SCHEDULE C.7 (OPTIONAL WORK)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.7

OPTIONAL WORK

This Schedule C.7 (Optional Work) is an attachment and part of to the QuadraMed Affinity Corporation Agreement (the “**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation and is incorporated into the Agreement by reference hereof. Unless specifically defined in this Schedule C.7 (Optional Work), capitalized terms used herein shall have the meanings set forth in the Agreement.

1. INTRODUCTION

This Schedule C.7 (Optional Work) sets forth the Optional Work which may be provided by Contractor in accordance with the terms of the Agreement.

2. OPTIONAL SERVICES RATES

Contractor shall provide as Optional Work, in accordance with Section 4.3 (Optional Work) of the Agreement, SDRs, the Services set forth in the following Statements of Work, and other Professional Services, at the rates set forth in Schedule C.6 (Professional Services Rate Card) based on the Resource Levels necessary to deliver the requested Services as agreed by the Parties:

- Schedule A.2 (Application Management Optional Work Statement of Work);
- Schedule A.3 (Operations Management Optional Work Statement of Work);
- Schedule A.4 (Report Management Optional Work Statement of Work);
- Schedule A.5 (Configuration and Change Management Optional Work Statement of Work);
- Schedule A.6 (Revision Management Optional Work Statement of Work); and
- Schedule A.7 (Interface Support Optional Work Statement of Work).

3. SDRs

For any SDR acquired by the County as Optional Work, the monthly recurring fee in connection with such SDR for Maintenance and Support Services shall be [REDACTED] of the one-time costs for such SDR.



EXHIBIT D (GLOSSARY)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT D
GLOSSARY

This Exhibit D (Glossary) is attached to and incorporated by reference in the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services (“**Agreement**”) by and between the County of Los Angeles and QuadraMed Affinity Corporation dated for reference purposes as of the Effective Date. Whenever used in the Exhibits, Attachments, or Schedules to the Agreement, the words and phrases listed below shall have the meanings given in this Exhibit D (Glossary). Capitalized terms not otherwise defined in this Exhibit D (Glossary) shall have the meanings ascribed to them in the Agreement or in other Exhibits, Attachments, or Schedules. In the event there is a conflict between how a term is defined in this Exhibit D (Glossary) and any other portion of the Agreement, the order of precedence for understanding the meaning of that term, shall be as follows: (a) how that term is defined in the Agreement; (b) how that term is defined in this Exhibit D (Glossary); and (c) how that term is defined in the other Exhibits, Attachments, and Schedules to the Agreement. Unless otherwise specified herein, all references in this Exhibit D (Glossary) to Sections shall refer to the respective Sections of this Agreement as specified in the main body of the Agreement (rather than the Exhibits, Attachments, or Schedules thereto).

1. AMENDMENT

“Amendment” shall have the meaning specified in Section 13.1.2 of the Agreement.

2. APPLICATION MODIFICATIONS

Modifications to Application Software that may be provided by Contractor during the term of the Agreement, including New Software, additional Interfaces and additional Customizations, as further specified in Section 4.6 (Integration/Interfacing) of the Agreement.

3. APPLICATION SOFTWARE

The Licensed Software, Customizations, Interfaces and Third Party Products, and related Documentation, provided, maintained and supported by Contractor in accordance with the terms of this Agreement.

4. APPROVAL (APPROVE OR APPROVED)

The written acceptance or other required approval by the County’s Project Director (or his or her designee) of a specifically identified deliverable or any other item requiring County approval.

5. ARRA

The American Recovery and Reinvestment Act of 2009.

6. BACKGROUND INTELLECTUAL PROPERTY

Any intellectual property, including, without limitation, concepts, ideas, methods, methodologies, procedures, processes, know-how, techniques, inventions, analysis frameworks, software, models, documentation, templates, the generalized features of the structure, sequence and organization of software, user interfaces and screen designs, utilities, routines, and tools, which may constitute or be contained in Work Product that was developed by Contractor prior to performance or independent of this Agreement.

7. BOARD

County’s Board of Supervisors.

8. CERTIFICATE
“Certificate” shall have the meaning specified in Section 22.1 (Evidence of Coverage and Notice to County) of the Agreement.
9. C.F.R.
As set forth in Section 12.1.9 (Health Insurance Portability and Accountability Act of 1996 (HIPAA)) of the Agreement, “C.F.R.” shall mean the United States Code of Federal Regulations.
10. CHANGE ORDER
The terms of any Optional Work agreed to be County and Contractor applicable to the provision of New Software, Third Party Products, or Professional Services by Contractor, as specified in Section 13.3.2 of the Agreement.
11. CHANGE NOTICE
“Change Notice” shall have the meaning specified in Section 13.2 (Change Notice) of the Agreement.
12. CONFIDENTIAL INFORMATION
“Confidential Information” shall have the meaning specified in Section 12.1.1 (Confidential Information Defined) of the Agreement.
13. CONTRACTOR
The sole proprietor, partnership, or corporation that has entered into an Agreement with the County to perform or execute the Services covered under the Agreement.
14. CONTRACTOR’S PROJECT DIRECTOR
The individual designated by the Contractor to administer the Agreement operations after the Agreement award.
15. CONTRACTOR’S PROJECT MANAGER (PM)
The individual designated by the Contractor to administer the day-to-day operations after the Agreement award. When there is not an active major implementation in process, one person fills both the Project Director and Project Manager roles. If there is a new project in progress, the Contractor’s Project Director will provide costs to the County for a new project PM to manage the additional resources or workload.
16. COUNTY AND ITS AGENTS
“County and its Agents” shall have the meaning specified in Section 21.1 (General Indemnification).
17. COUNTY DATA
All of the information, data, and records of County to which Contractor has access, or is otherwise provided to Contractor under this Agreement, during the use or provisioning of the System, including any data entered/stored/accessed during use of the System by users of the System.

18. COUNTY'S PROJECT DIRECTOR

The individual designated by County with authority for County on contractual or administrative matters relating to this Agreement that cannot be resolved by the County's Project Manager.

19. COUNTY'S PROJECT MANAGER (PM)

The individual designated by County's Project Director to manage the day-to-day operations under this Agreement. If there is a new project in progress, County may need to provide additional Project Managers who are focused on the new project plan and additional resources or workload.

20. CROSS-OVER ISSUES

"Cross-Over Issues" shall have the meaning specified in Section 2.4 (Cross-Over Issues) of Exhibit B (Service Level Agreement).

21. CUSTOMIZATIONS

Configurations and any other customizations or modifications to Application Software, and related Documentation, previously provided or to be provided by Contractor to County during the term of the Agreement as part of Optional Work, or provided by Contractor to County under a prior agreement between the parties.

22. DAY(S)

Calendar day(s) unless otherwise specified.

23. DEFICIENCY

With respect to the System, Services, deliverables, or other work provided by Contractor under the Agreement, a failure of the System, Services, deliverables or such other work to conform to System Requirements or Specifications with respect to the System, a failure that impairs the performance of the System when operated in accordance with the Agreement.

24. DESTRUCTIVE MECHANISMS

Computer code that: (A) is designed to disrupt, disable, harm, or otherwise impede in any manner, including aesthetic disruptions or distortions, the operation of the Licensed Software, deliverables, Services, or any other software, firmware, hardware, computer system or network (sometimes referred to as "viruses" or "worms"); (B) would disable or impair the Licensed Software, deliverables, Services, or any other software, firmware, hardware, computer systems or networks in any way where such disablement or impairment is caused by the passage of time, exceeding an authorized number of copies, advancement to a particular date or other numeral (sometimes referred to as "time bombs," "time locks" or "drop dead" devices); (C) would permit Contractor to access the Licensed Software, deliverables, Services, or any other software, firmware, hardware, computer systems or networks to cause such disablement or impairment (sometimes referred to as "traps," "access codes" or "trap door" devices); or (D) which contains any other similar harmful, malicious or hidden procedures, routines or mechanisms which would cause such Licensed Software, deliverables, Services, or other programs to cease functioning or to damage or corrupt data, storage media, programs, equipment or communications or otherwise interfere with operations.

25. DISABLING DEVICE

As set forth in Section 7.6 (Disabling Device) of the Agreement , “Disabling Device” shall mean any device, method or means including, without limitation, the use of any “virus”, “lockup”, “time bomb”, “key lock”, “worm”, “back door” or “Trojan Horse” device or program, or any disabling code, which has the potential or capability of compromising the security of County’s confidential or proprietary information or of causing any unplanned interruption of the operations of, or accessibility of the System or any component to County or any User or which could alter, destroy or inhibit the use of the System or any component, or the data.

26. DISCLOSING PARTY

“Disclosing Party” shall have the meaning specified in Section 12.1.1 (Confidential Information Defined) of the Agreement.

27. DISPLACED PRODUCT

A software product some or all components of which during the term of the Agreement may be replaced by a Replacement Product, as further described in Section 3.2.2 (Replacement Products) of the Agreement.

28. DISPUTE

“Dispute” shall have the meaning specified in Section 24.0 (Dispute Resolution Procedure) of the Agreement.

29. DISPUTE RESOLUTION PROCEDURE

The provisions of Section 24.0 (Dispute Resolution Procedure) of the Agreement describing the procedure for resolving the Disputes arising under or with respect to this Agreement.

30. DOCUMENTATION

All of Contractor’s training course materials, Contractor provided system specifications and technical manuals, and all other user instructions prepared or made available by or through Contractor regarding the capabilities, operation, and use of the System.

31. EFFECTIVE DATE

The date of execution of this Agreement by County and authorized representative(s) of Contractor following approval by the Board of Supervisors.

32. ENHANCEMENT

Any modification to any Application Software designed to improve its operation, usefulness, or completeness that is made generally available by Contractor (excluding Deficiency corrections) to its other customers.

33. EXTENDED TERM

The period of time the Agreement may remain in full force and effect after the Initial Term, as authorized by the Board of Supervisors, effectuated in accordance with the process set forth in Section 5.2 (Extended Agreement Term).

34. FINALLY DETERMINED

When a claim or dispute has been finally determined by a court of competent jurisdiction, arbitration, mediation, or other agreed-upon governing party, and either (1) no associated

appeal has timely been sought if capable of being sought, or (2) appellate rights properly exercised have otherwise been exhausted.

35. FIXED HOURLY RATE

The hourly rate as specified in Exhibit C (Payment Schedule) for Professional Services that Contractor may provide in the form of Optional Work if requested by County.

36. FORCE MAJEURE EVENT

“Force Majeure Event” shall have the meaning specified in Section 25.3.1 of the Agreement.

37. HARRIS HEALTHCARE

“Harris Healthcare” shall mean the Harris Healthcare division of N. Harris Computer Corporation, a corporation incorporated under the laws of Ontario, Canada, with offices at 1 Antares Drive, Suite 400, Ottawa, Ontario K2E 8C4.

38. HDH

“HDH” shall mean High Desert Regional Health Center.

39. HEALTH AGENCY

The integration of County Departments of Health Services (DHS), Mental Health (DMH), and Public Health (DPH) as a single unified Health Agency.

40. HEALTH AGENCY CIO

“Health Agency CIO” shall have the meaning specified in Section 11.3 (Executive Team Participation) of the Agreement.

41. HEALTH AGENCY DIRECTOR

The Director of the County of Los Angeles Health Agency, or his or her designee.

42. HIPAA

The Health Insurance Portability and Accountability Act and the rules and regulations from time to time promulgated there under, as set forth in Exhibit H (Business Associate Agreement), which mandates the safeguarding of personal and confidential medical information.

43. HITECH ACT

The Health Information Technology for Economic and Clinical Health Act of 2009.

44. HUMC

“HUMC” shall mean Harbor – UCLA Medical Center.

45. INDEMNIFIED ITEMS

“Indemnified Items” shall have the meaning specified in Section 21.2.1 of the Agreement.

46. INFRINGEMENT CLAIM

“Infringement Claim” shall have the meaning specified in Section 21.2.1 of the Agreement.

47. INITIAL TERM

The period of time the Agreement may remain in full force and effect commencing upon the Effective Date as specified in Section 5.1 (Initial Agreement Term) of the Agreement.

48. INTERFACES

Either a computer program developed by, or licensed to, County or Contractor to enable one system to communicate to another, including computer programs that (a) translate or convert data from a County or Contractor format into another format used at County; or (b) translate or convert data in a format used by County, Contractor or a third-party to a format supported at County or vice versa. An interface will often use a standard file format to move information from one system to another.

49. INTERFERING ACTS

“Interfering Acts” shall have the meaning specified in Section 4.10 (Interfering Acts) of the Agreement.

50. JURY SERVICE PROGRAM

“Jury Service Program” shall have the meaning specified in Section 26.13.1 (Jury Service Program) of the Agreement.

51. KDMC

“KDMC” shall mean Martin Luther King Jr. Outpatient Center.

52. LAC+USCMC

“LAC+USCMC” shall mean LAC+USC Medical Center.

53. LEGACY SOFTWARE

“Legacy Software” shall mean the software identified as such in Exhibit N (QuadraMed Legacy Systems).

54. LICENSE

“License” shall have the meaning specified in Section 3.1.1 (Existing License) of the Agreement.

55. LICENSED SOFTWARE

Individually each, and collectively all, of the computer programs provided by Contractor under this Agreement (including Third Party Products), including as to each such program, the machine generated instructions, Source Code as provided in Section 3.6 (Source Code), processes and routines used in the processing of data, the object code, Interfaces to be provided hereunder by Contractor, developed modules, New Software, Revisions, and any and all software programs otherwise provided by Contractor under this Agreement. All Licensed Software and the components thereof shall be release versions, and shall not be test versions (e.g., alpha or beta test version), unless otherwise agreed to in writing by County.

56. MAINTENANCE AND SUPPORT FEES

The fees to be paid by County to Contractor for the provision of Maintenance and Support Services in accordance with the terms of this Agreement, including Exhibit C (Payment Terms), Schedule C.1 (Pricing Schedule).

57. MAINTENANCE AND SUPPORT SERVICES

Maintenance Services and Support Services provided by Contractor in accordance with Exhibit A (Statement of Work), Exhibit B (Service Level Agreement), and as further specified in Section 4.2 (Maintenance and Support Services) of the Agreement.

58. MAXIMUM AGREEMENT SUM

The total monetary amount payable by County to Contractor hereunder, as specified in Section 6.1 (Maximum Agreement Sum) of the Agreement.

59. MAXIMUM FIXED PRICE

A not-to-exceed fixed price for provision by Contractor of Optional Work pursuant to an agreed upon Change Order under the Agreement, as further specified in Section 4.3 (Optional Work) of the Agreement.

60. NATURAL DEGENERATION

“Natural Degeneration” shall have the meaning specified in Section 3.6.2 (Natural Degeneration) of the Agreement.

61. NEW SOFTWARE

Any function or module of System Software that:

- (i) is not included in the System Software that is part of the System as of the Effective Date;
- (ii) fulfills a different primary function or is delivered on a different end-user platform than the Application Software; and
- (iii) is not otherwise to be provided to County under this Agreement as a Revision to the Application Software.

62. OPTIONAL WORK

New Software, Customizations, Interfaces, Professional Services, Hardware, or other work which may be provided by Contractor to County upon County’s request and approval and execution of an Amendment or Change Order, as applicable, in accordance with Section 4.3 (Optional Work).

63. OVUMC

“OVUMC” shall mean Olive View – UCLA Medical Center.

64. PARTY; PARTIES

The term “Party(ies)”, whether singular or plural, shall mean and refer to any one or all parties to this Agreement, including the County of Los Angeles and QuadraMed Affinity Corporation.

65. PERSONAL DATA

As set forth in Section 12.1.5 (Personal Data) of the Agreement, “Personal Data” shall mean any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personal Data shall include, but not be limited to, all “nonpublic personal information,” as defined under the Gramm-Leach-Bliley Act (15 U.S.C. §6801 et seq.), and Protected Health Information as defined under HIPAA and regulations promulgated thereunder, including 45 C.F.R. 160 and 164.

66. POLICY

The Board of Supervisors Policy Number 5.200 that sets forth encryption standards as further specified in Section 12.3 (Data Encryption) of the Agreement.

67. POOL DOLLARS

The maximum amount allocated under this Agreement for the provision of Optional Work by Contractor hereunder.

68. PRIOR AGREEMENTS

“Prior Agreements” shall mean (A) Agreement No. 72190 Turnkey Healthcare Information Systems at Harbor-UCLA Medical Center, Olive View-UCLA Medical Center and LAC+USC Medical Center, approved by the Board on June 29, 1999, and (B) Agreement No. 56649 for Turnkey Hospital Information Systems at High Desert Multi-Service Ambulatory Care Center, Ranch Los Amigos National Rehabilitation Center and Martin Luther King Multi-Service Ambulatory Care Center, executed by the County’s Purchasing Agent to be effective on December 31, 1996 pursuant to the Board’s authorization of January 21, 1997.

69. PRIVACY AND SECURITY LAWS

“Privacy and Security Laws” shall have the meaning specified in Section 12.1.9 (Health Insurance Portability and Accountability Act of 1996 (HIPAA)) of the Agreement.

70. PROFESSIONAL SERVICES

Services, including but not limited to, consulting services, staff augmentation, additional training, Application Software modifications, hardware installation or implementation, and other Services which Contractor may provide as part of Optional Work upon County’s request therefore in accordance with Section 4.3 (Optional Work).

71. PROJECT STAFFING AND RESOURCE MANAGEMENT PLAN

“Project Staffing and Resource Management Plan” shall have the meaning specified in Section 2.2 (SOW Team Structure and Resources) of Schedule A.2 (Application Management Optional Work SOW) of Exhibit A (Statement of Work).

72. PROTECTED HEALTH INFORMATION

“Protected Health Information” shall have the meaning specified in Exhibit H (Business Associate Agreement).

73. RECEIVING PARTY

“Receiving Party” shall have the meaning specified in Section 12.1.1 (Confidential Information Defined).

74. RELEASE

A redistribution of Licensed Software that contains an aggregation of Software Updates, new features, new functionality, or other performance improvements that does not constitute a Version Release and that is made generally available by Contractor to its other customers.

75. RELEASE CONDITIONS

The conditions specified in Section 3.6.3 (Source Code Release) of the Agreement upon which the Source Code for Application Software will be released to County.

76. REMEDIAL ACTS

“Remedial Acts” shall have the meaning specified in Section 21.2.2 of the Agreement.

77. RENAMED PRODUCT

A software product some or all components of which during the term of the Agreement may be renamed to a Replacement Product, as further described in Section 3.2.2 (Replacement Products) of the Agreement.

78. REPLACEMENT PRODUCT

Any software product with which Contractor may replace or to which Contractor may rename any or all components of the Licensed Software during the term of the Agreement, which replacement shall be subject to the provisions of Section 7.10 (Continuous Product Support) of the Agreement.

79. REQUIRED INSURANCE

“Required Insurance” shall have the meaning specified in Section 22.0 (General Provisions for All Insurance Coverage and Performance Security) of the Agreement.

80. REVISIONS

Changes to the Application Software, including but not limited to: (a) Software Updates; (b) Enhancements; (c) Releases; (d) Version Releases; (e) Displaced/Renamed Products; or (f) any other redistributions of the Application Software; changes to the Application Software necessary to comply with the terms of the Agreement, including Section 17.0 (Compliance with Applicable Law); or Software Updates provided as part of Maintenance and Support Services pursuant to Exhibit B (Service Level Agreement).

81. RLAMC

“RLAMC” shall mean Rancho Los Amigos National Rehabilitation Center.

82. SECURITY INCIDENT

“Security Incident” shall have the meaning specified in Exhibit H (Business Associate Agreement).

83. SERVICE LEVEL CREDITS

Credits or any other form of discount to be applied to the applicable Maintenance and Support Fees for Contractor’s failure to timely correct Deficiencies or fulfill its Service Level requirements as provided in Exhibit B (Service Level Agreement).

84. SERVICE LEVEL FAILURE

“Service Level Failure” shall have the meaning specified in Section 6 (Service Level Credits for Unachieved Service Levels) of Exhibit B (Service Level Agreement).

85. SERVICE LEVELS

Levels of service and other requirements for provision of Maintenance and Support Services under the Agreement, as specified in Exhibit B (Service Level Agreement).

86. SERVICES

Collectively, all functions, responsibilities, tasks, subtasks, deliverables, goods, and other services: (a) identified in the Specifications; (b) identified in this Agreement as being Contractor’s responsibility; and (c) otherwise necessary to comply with the terms of this Agreement. Without increasing the scope of the Services, if any component task, subtask,

service, or function is: (i) an inherent or necessary part of the Services defined in subparts (a), (b), or (c) of this Paragraph; or (ii) a customary part of the Services defined in subparts (a), (b), or (c) of this Paragraph, and not in conflict with Contractor's established methods of providing services; and, as to a service(s) within either subpart (i) and (ii) of this sentence above, is not specifically described in this Agreement, then such service or function shall be deemed to be part of the Services. There are several subsets of the Services, including "Maintenance and Support Services" and "Professional Services" that are included within this definition of "Services," even though they are sometimes referenced by the Service grouping name (e.g., "Maintenance and Support Services"). Each of these Service groupings includes both the broad definition of Services above, and the specific Services associated with the Service grouping and described in Exhibits, Attachments, or Schedules and related documents incorporated into the definition of that Service grouping.

87. SEVERITY LEVEL

The applicable severity level of a Deficiency identified in Exhibit B (Service Level Agreement) used to define service levels for provision of Maintenance and Support Services under the Agreement.

88. SOFTWARE UPDATES

Any additions to or replacements to the System Software to be provided by Contractor in accordance with Exhibit B (Service Level Agreement), including all Application Software performance and functionality enhancement releases, new Version Releases, Third Party Product upgrades, improvements, interim updates, including bug fixes and patches, Deficiency corrections, and modifications to the System Software, including but not limited to those required for the System to remain in compliance with applicable federal and State laws and regulations, System Requirements, other Specifications, and the terms of this Agreement.

89. SOURCE CODE

As set forth in Section 3.6.1 (Application Software) of the Agreement, "Source Code" shall mean the source code to Application Software licensed or made available by Contractor to County under this Agreement, together with all Documentation and other proprietary information related to such source code, which may be provided by Contractor to County upon occurrence of any Release Condition as set forth Section 3.6.3 (Source Code Release) of the Agreement.

90. SPECIFICATIONS

All specifications, requirements, and standards described in Exhibit A (Statement of Work) or any statements of work agreed to for performance of Optional Work; all performance requirements and standards specified in this Agreement, including, but not limited to, the requirements identified in Exhibit B (Service Level Agreement); the Documentation; and System capabilities including System Requirements.

91. STATE

The State of California.

92. STATUS REPORT

"Status Report" shall have the meaning specified in Section 11.1 (Reports) of the Agreement.

93. STATUS MEETING

"Status Meeting" shall have the meaning specified in Section 11.1 (Reports) of the Agreement.

94. SUBCONTRACTOR
“Subcontractor” shall have the meaning specified in Section 8.2.3 of the Agreement.
95. SUPPORT HOURS
The hours during which Contractor shall provide Maintenance and Support Services under the Agreement, as further described in Exhibit B (Service Level Agreement).
96. SYSTEM
All Services and software, including Licensed Software, System Software, System Hardware, networking (networking is provided by County) and data, and related Documentation as specified in the Agreement.
97. SYSTEM DATA
The data created, utilized, or generated by the System.
98. SYSTEM HARDWARE
Any hardware and other equipment and networking components that are part of the System operating environment provided, maintained and supported by Contractor under the Agreement, including any additional or upgraded hardware that may be provided by Contractor during the term of the Agreement as part of hardware refresh or for performance of Maintenance and Support obligations under the Agreement.
99. SYSTEM REQUIREMENTS
The business, operational, technical, security and functional requirements or capabilities relating to the operation or utilization of the System, whether or not documented in the Prior Agreements, as such may be modified during the term of the Agreement.
100. SYSTEM SOFTWARE
All Application Software and operating software, together with any New Software, and related Documentation, provided, maintained and supported by Contractor under this Agreement.
101. TERM
The term of the Agreement commencing upon the Effective Date until its expiration or termination as provided herein. The phrase "term of the/this Agreement" and phrases of similar import shall mean the Agreement Term.
102. THIRD PARTY PRODUCT
All software and content licensed, leased or otherwise obtained by Contractor from a third party and used with the System or used for the provision of Services under the Agreement and which is expressly identified as Third Party Product in Attachment C.2 (System Software Fee Schedule).
103. THIRD PARTY PRODUCTS WITH INDEPENDENT CONDITIONS
“Third Party Products With Independent Conditions” shall have the meaning specified in Section 3.5 (Third Party Products) of the Agreement.
104. TRANSITION SERVICES
“Transition Services” shall have the meaning specified in Section 8.8.2 of the Agreement.

105. TRANSITION SERVICES PLAN

“Transition Service Plan” shall have the meaning specified in Section 8.8.2 of the Agreement.

106. USER

Any person authorized by the County to access or use the System pursuant to this Agreement.

107. VERSION RELEASE

Contractor’s Application Software major version upgrade which may contain new software functionalities and features or system compatibilities.

108. WORK PRODUCT

Work Product expressly excludes Licensed Software, Background Intellectual Property, County Data, and County’s Confidential Information, and shall mean: all deliverables and all concepts, inventions (whether or not protected under patent laws), works of authorship, information, new or useful art, combinations, discoveries, formulae, algorithms, specifications, manufacturing techniques, technical developments, systems, computer architecture, artwork, software, programming, applets, scripts, designs, procedures, processes, and methods of doing business, regardless of form or media, materials, plans, reports, project plans, work plans, Documentation, training materials, and other tangible objects, and shall include any derivatives or modifications to any of the foregoing, developed or produced by Contractor under this Agreement, whether acting alone or in conjunction with County or its employees, users, affiliates or others.



EXHIBIT E (ADMINISTRATION OF AGREEMENT)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT E

ADMINISTRATION OF AGREEMENT

This Exhibit E (Administration of Agreement) is an attachment and part of the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services (the “**Agreement**”), dated as of the Effective Date and entered by County and Contractor.

SECTION 1: CONTRACTOR’S ADMINISTRATION

Contractor’s Project Director:

Name: Daniel Campos
Title: Director - QuadraMed, LA County Operations
Address: 901 Via Piemonte, Suite 300
Ontario, CA 91764
Telephone: [REDACTED]
Facsimile: [REDACTED]
Email Address: [REDACTED]

Contractor’s Project Manager:

Name: Daniel Campos
Title: QuadraMed
Director - QuadraMed, LA County Operations
Address: 901 Via Piemonte, Suite 300
Ontario, CA 91764
Telephone: [REDACTED]
Facsimile: [REDACTED]
Email Address: [REDACTED]

Contractor’s Authorized Officials

Name: Kent Hargrave
Title: Executive VP
Address: QuadraMed
2300 Corporate Park Drive
Suite 400
Herndon, VA 20171
Telephone: [REDACTED]
Facsimile: [REDACTED]
Email Address: [REDACTED]

Notices to Contractor shall be sent to the following:

Title: Director - QuadraMed, LA County Operations
Address: QuadraMed
901 Via Piemonte, Suite 300
Ontario, CA 91764
Telephone: [REDACTED]
Facsimile: [REDACTED]
Email Address: [REDACTED]

SECTION 2: COUNTY'S ADMINISTRATION

County's Project Director

Name: Edward Tamer
Title: Enterprise Project Manager - Associate CIO LAC+USC
Address: 1100 N. State Street - CT A6D IS Administration
Los Angeles, CA. 90033
Telephone: (323) 409-7455
Facsimile: (323) 441-8200
Email Address: etamer@dhs.lacounty.gov

County's Project Manager

Name: Janet Luong
Title: Enterprise Project Manager - Information Systems Manager
Address: 1100 N. State Street - CT A6D IS Administration
Los Angeles, CA. 90033
Telephone: (323) 409-2208
Facsimile: (323) 441-8200
Email Address: jluong@dhs.lacounty.gov

NOTICES

Notices to County shall be sent to the County's Project Director, with a copy to:

Attention: Director, Contracts and Grants Division
Los Angeles County Department of Health Services
313 N. Figueroa St., 6th Floor East
Los Angeles, California 90012



EXHIBIT F (CONTRACTOR'S EEO CERTIFICATE)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT F

CONTRACTOR'S EEO CERTIFICATION

Quadramed Affinity Corporation

Contractor Name

2300 Corporate Park Drive, Suite 400, Herndon, VA 20171

Address

54-1447754

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | | |
|----|---|-------|-----------------------------|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes x | No <input type="checkbox"/> |
| 2. | The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes x | No <input type="checkbox"/> |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes x | No <input type="checkbox"/> |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes x | No <input type="checkbox"/> |

Kent Hargrave, Executive VP

Authorized Official's Printed Name and Title

Kent L. Hargrave

Authorized Official's Signature

08/30/2017

Date



EXHIBIT G (CONFIDENTIALITY AGREEMENT)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT G

CONFIDENTIALITY AGREEMENT

CONTRACTOR

1. GENERAL INFORMATION

The organization identified above ("**Contractor**") is a party to the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services ("**Agreement**") to provide Services (as such term is defined in the Agreement) to the County of Los Angeles ("**County**"). County requires each employee, agent, consultant, outsourced vendor, and independent contractor of Contractor performing Services under such Agreement to understand his or her obligations with respect to the personal, proprietary and other confidential material, data and information, as applicable, with which he or she will be in contact in performing such Services. By executing this Confidentiality Agreement, Contractor represents that it shall require each such staff member's compliance with the obligations regarding such data and information, as set forth in the Agreement, including this Exhibit G (Confidentiality Agreement).

2. CONTRACTOR ACKNOWLEDGMENT

Contractor understands and agrees that all of Contractor's or any Subcontractor's staff that will provide Services pursuant to the Agreement are Contractor's or any Subcontractor's sole responsibility. Contractor understands and agrees that its or any Subcontractor's staff must rely exclusively upon Contractor or any Subcontractor for payment of salary and any and all other benefits payable by virtue of such staff's performance of Services under the Agreement.

Contractor understands and agrees that its or any Subcontractor's employees are not employees of County for any purpose whatsoever and that such staff do not have and will not acquire any rights or benefits of any kind from County by virtue of performance of Services under the Agreement. Contractor understands and agrees that its, or any Subcontractor's, staff do not have and will not acquire any rights or benefits from County pursuant to any agreement between any person or entity and County.

3. CONFIDENTIALITY

Contractor, any Subcontractor, and their staff, by virtue of performing Services under the Agreement, may come in contact with (i) Confidential Information (as such term is defined in the Agreement), (ii) data and information, which County has an obligation to keep confidential by applicable law or otherwise, and (iii) proprietary information belonging to County or other organizations doing business with County (collectively for the purpose of this Exhibit G (Confidentiality Agreement), "**Confidential Information**"). By signing this Confidentiality Agreement, Contractor agrees that, by virtue of involvement in the Services under the Agreement, it, any Subcontractor, and their staff shall protect the confidentiality of all such Confidential Information pursuant to the terms of Section 12 (Confidentiality and Security) of the Agreement to the Agreement and as specified below.

Contractor agrees, on behalf of itself, its Subcontractors and all staff, (i) to protect from loss and hold in confidence any and all Confidential Information; (ii) not to directly or indirectly reveal, report, publish, transfer, reproduce to, or for the benefit of, any unauthorized person or otherwise disclose any Confidential Information obtained while performing Services under the Agreement; and (iii) to utilize the Confidential Information solely for the limited purpose of

providing Services pursuant to the Agreement. Contractor's or any Subcontractor's staff shall forward all requests for disclosure or copying of any such information in their possession or care to County's Project Manager under the Agreement.

Contractor agrees to report to County's Project Manager under the Agreement any and all violations of this Agreement, including unauthorized disclosures or copying of Confidential Information, whether accidental or intentional, and whether by Contractor's or any of Subcontractor's staff and/or by any other person, of which such staff become aware. Contractor agrees and shall require its or any Subcontractor's staff return possession of all Confidential Information to County's Project Manager under the Agreement upon completion of the Agreement, or termination of employment with the Contractor or any Subcontractor whichever occurs first.

SIGNED *Kent L. Hargrave*
DATE 09/22/2017
PRINTED Kent L Hargrave
TITLE EVP



EXHIBIT H (BUSINESS ASSOCIATE AGREEMENT)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT H

BUSINESS ASSOCIATE AGREEMENT

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“**HIPAA**”), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the “**HIPAA Rules**”).

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities, or services to create, access, receive, maintain, or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement (“**Business Associate Agreement**”) between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

THEREFORE, the Parties agree as follows:

1. DEFINITIONS

- 1.1. “Breach” has the same meaning as the term “breach” at 45 C.F.R. § 164.402.
- 1.2. “Business Associate” has the same meaning as the term “business associate” at 45 C.F.R. § 160.103. For the convenience of the Parties, a “business associate” is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A “business associate” also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in reference to the party to this Business Associate Agreement “Business Associate” shall mean Contractor.
- 1.3. “Covered Entity” has the same meaning as the term “covered entity” at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, “Covered Entity” shall mean County.
- 1.4. “Data Aggregation” has the same meaning as the term “data aggregation” at 45 C.F.R. § 164.501.
- 1.5. “De-identification” refers to the de-identification standard at 45 C.F.R. § 164.514.

- 1.6. "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
- 1.7. "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its workforce. (See 45 C.F.R. § 160.103.)
- 1.8. "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff. (See 42 U.S. C. § 17921.)
- 1.9. "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103. For the convenience of the Parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media if the information being exchanged did not exist in electronic form immediately before the transmission.
- 1.10. "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the Parties, Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.11. "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.
- 1.12. "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the Parties, Individual means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502 (g).
- 1.13. "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
- 1.14. "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 164.502 (b).
- 1.15. "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by

Business Associate from or on behalf of Covered Entity. For the convenience of the Parties, Protected Health Information includes information that (i) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.

- 1.16. "Required by Law" " has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.
- 1.17. "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103
- 1.18. "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.
- 1.19. "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 1.20. "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.
- 1.21. "Successful Security Incident" means a Security Incident that has resulted in the inappropriate use or disclosure of ePHI.
- 1.22. "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" at 45 C.F.R. § 164.402.
- 1.23. "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (See 45 C.F.R § 164.103.)
- 1.24. Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.

2. PERMITTED AND REQUIRED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

- 2.1. Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as necessary to comply with the obligations of this Business Associate Agreement.
- 2.2. Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.

- 2.3. Business Associate may Use or Disclose Protected Health Information as Required by Law.
- 2.4. Business Associate shall make Uses and Disclosures and requests for Protected Health Information consistent with the Minimum Necessary standard.
- 2.5. Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.
- 2.6. Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) that it will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was disclosed to the recipient and the recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.
- 2.7. Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.

3. PROHIBITED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

- 3.1. Business Associate shall not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.
- 3.2. Business Associate shall not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.
- 3.3. Business Associate shall not Use or Disclose Protected Health Information for de-identification of the information except as set forth in Section 2.2

4. OBLIGATIONS TO SAFEGUARD PROTECTED HEALTH INFORMATION

- 4.1. Business Associate shall implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.
- 4.2. Business Associate shall comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.

5. REPORTING NON-PERMITTED USES OR DISCLOSURES, SECURITY INCIDENTS, AND BREACHES OF UNSECURED PROTECTED HEALTH INFORMATION

- 5.1. Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security

Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.

- 5.1.1. Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors not provided for by this Agreement of which Business Associate becomes aware.
 - 5.1.2. Business Associate shall report to Covered Entity any Successful Security Incident of which Business Associate becomes aware. The Parties acknowledge and agree that this Section 5.1.2 constitutes notice by Business Associate of the ongoing occurrence of events that may constitute Security Incidents but that are trivial, routine, do not constitute a material threat to the security of Protected Information, and do not result in unauthorized access to or use of disclosure of Protected Information (such as typical pings and port scans), for which no additional notice to Covered Entity shall be required.
 - 5.1.3. Business Associate shall report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, or Subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.
- 5.2. Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate shall provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.
- 5.2.1. Business Associate shall make an immediate telephonic report upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Successful Security Incident or Breach of Unsecured Protected Health Information to **(562) 940-3335** that minimally includes:
 - (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
 - (b) The number of Individuals whose Protected Health Information is involved;

- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The name and contact information for a person knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach

5.2.2. Business Associate shall make a written report without unreasonable delay and in no event later than three (3) business days from the date of discovery by Business Associate of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **Chief HIPAA Privacy Officer at: Chief HIPAA Privacy Officer, Kenneth Hahn Hall of Administration, 500 West Temple Street, Suite 525, Los Angeles, California 90012, HIPAA@auditor.lacounty.gov**, that includes, to the extent possible:

- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;
- (e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;
- (f) Any steps Business Associate believes that the Individual(s) could take to protect him or herself from potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;
- (g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and

- (h) The name and contact information for a person knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.
- 5.2.3. If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate shall provide such information promptly thereafter as such information becomes available.
- 5.3. Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.
 - 5.3.1. If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay its reporting and/or notification obligation(s) for the time period specified by the official.
 - 5.3.2. If the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

6. WRITTEN ASSURANCES OF SUBCONTRACTORS

- 6.1. In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate shall ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a Business Associate with respect to such information and that Subcontractor agrees in writing to the substantially similar restrictions, conditions, and requirements that apply to Business Associate with respect to such information.
- 6.2. Business Associate shall take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.
- 6.3. If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor shall terminate, if feasible, any arrangement with Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.
- 6.4. If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate shall immediately notify County.
- 6.5. Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.

- 6.6. Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall include a provision requiring Subcontractor to destroy, or in the alternative to return to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.
- 6.7. Business Associate shall provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.
- 6.8. Sections 6.1 and 6.7 are not intended by the Parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

7. ACCESS TO PROTECTED HEALTH INFORMATION

- 7.1. To the extent Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and shall provide such Individuals(s) or other person(s) designated by Covered Entity with a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.
- 7.2. If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within ten (10) days of the receipt of the request. Whether access shall be provided or denied shall be determined by Covered Entity.
- 7.3. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e).

8. AMENDMENT OF PROTECTED HEALTH INFORMATION

- 8.1. To the extent Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a written request from Covered Entity, make such Protected Information available to Covered Entity for amendment and incorporate any such amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.
- 8.2. If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered

Entity in writing within ten (10) days of the receipt of the request. Whether an amendment shall be granted or denied shall be determined by Covered Entity.

9. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION

9.1. Business Associate shall maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives, as is necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528. Further, Contractor shall require its Subcontractors to maintain an accounting of each Disclosure of Protected Health Information made by the Subcontractor, or its employees, agents, or representatives, as is necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

9.1.1. Any accounting of disclosures provided by Business Associate under Section 9.1 shall include:

- (a) The date of the Disclosure;
- (b) The name, and address if known, of the entity or person who received the Protected Health Information;
- (c) A brief description of the Protected Health Information Disclosed; and
- (d) A brief statement of the purpose of the Disclosure.

9.1.2. For each Disclosure that could require an accounting under Section 9.1, Business Associate shall document the information specified in Section 9.1.1, and shall maintain the information for six (6) years from the date of the Disclosure.

9.2. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with Section 9.1.1 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528

10. COMPLIANCE WITH APPLICABLE HIPAA RULES

If any Individual requests an accounting of disclosures directly from Business Associate or its agents, Business Associate shall notify Covered Entity in writing within TEN (10) days of the receipt of the request, and shall provide the requested accounting of disclosures to the INDIVIDUALS within 30 days. The information provided in the accounting shall be in accordance with 45 C.F.R. § 164.528.

10.1. To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with

the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).

- 10.2. Business Associate shall comply with all HIPAA Rules applicable to Business Associate in the performance of Services.

11. AVAILABILITY OF RECORDS

- 11.1. Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations.
- 11.2. Unless prohibited by the Secretary, Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

12. MITIGATION OF HARMFUL EFFECTS

- 12.1. Business Associate shall mitigate, to the extent practicable, any harmful effect of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement that is known to Business Associate.


13. BREACH NOTIFICATION TO INDIVIDUALS

- 13.1. Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors, provide breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.
 - 13.1.1. Business Associate shall notify, subject to the review and approval of Covered Entity, each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.
 - 13.1.2. The notification provided by Business Associate shall be written in plain language, shall be subject to review and approval by Covered Entity, and shall include, to the extent possible:
 - (a) A brief description of what happened, including the date of the Breach and the date of the Discovery of the Breach, if known;
 - (b) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);

- (c) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;
 - (d) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individual(s), and to protect against any further Breaches; and
 - (e) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.
- 13.2. Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.
- 13.3. Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information; Covered Entity shall not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

14. INDEMNIFICATION

14.1. Business Associate shall indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines) (hereinafter referred to as "Costs"), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.

14.2. 

14.3. Section 14.1 is not intended by the Parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

15. OBLIGATIONS OF COVERED ENTITY

- 15.1. Covered Entity will not disclose to Business Associate more Protected Health Information than the Minimum Necessary required to enable Business Associate to carry out the Services for which it is contracted to provide Covered Entity, and only when such disclosure is required and will limit Business Associate's access to Covered Entity's electronic Protected Health Information to only such Protected Health Information as is needed to carry out Business Associate's activities required to support the underlying Agreement and this Agreement.
- 15.2. Covered Entity will have in place appropriate privacy and security safeguards to prevent the unauthorized use and disclosure of Protected Health Information and will use appropriate administrative, technical, and physical safeguards consistent with 45 C.F.R. §§ 164.308, 164.310 and 164.312 to protect the confidentiality, integrity, and availability of electronic Protected Health Information it receives from or transmits to Business Associate; will adopt, maintain, and update written policies and procedures consistent with the requirements of 45 C.F.R. § 164.316 with respect to such safeguards; and will impose appropriate sanctions against applicable employees, as appropriate, in the event such employee uses or discloses Protected Health Information in violation of the provisions of this Agreement.
- 15.3. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own Uses and Disclosures accordingly.
- 15.4. Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.
- 15.5. Covered Entity will obtain any authorization or consents as may be required by law for any of the uses or disclosures of Protected Health Information pursuant to the Services.

16. TERM

- 16.1. Unless sooner terminated as set forth in Section 17 (Termination for Cause), the term of this Business Associate Agreement shall be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 16.2. Notwithstanding Section 16.1, Business Associate's obligations under Sections 11 (Availability of Records), 14 (Indemnification), and 18 (Disposition of Protected Health Information Upon Termination or Expiration) shall survive the termination or expiration of this Business Associate Agreement.

17. TERMINATION FOR CAUSE

- 17.1. In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.
- 17.2. In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

18. DISPOSITION OF PROTECTED HEALTH INFORMATION UPON TERMINATION OR EXPIRATION

- 18.1. Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate shall return or destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.
- 18.2. Destruction for purposes of Section 18.2 and Section 6.6 shall mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.
- 18.3. Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and shall return or destroy all other Protected Health Information.
- 18.3.1. Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in

Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate shall not Use or Disclose such Protected Health Information other than for the purposes for which such Protected Health Information was retained.

18.3.2. Business Associate shall return or destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.

18.4. Business Associate shall ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or destroyed as provided for in Section 18.2.

19. AUDIT, INSPECTION, AND EXAMINATION

19.1. Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in Section 17 (Termination for Cause). Notwithstanding the foregoing, prior to any termination under this Section 19.1, County will notify Contractor of any concerns with regard to compliance and provide Contractor a thirty (30) day period to cure or provide an acceptable plan to cure to the County. If Contractor fails to cure or provide an acceptable plan to cure within that period, the County may exercise its right to terminate under this Section 19.1.

19.2. Covered Entity and Business Associate shall mutually agree in advance upon the scope, timing, and location of any such inspection.

19.3. At Business Associate's request, and to the extent permitted by law, Covered Entity shall execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the Parties.

19.4. That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.

19.5. Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, shall not constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order,

Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

- 19.6. Section 19.1 is not intended by the Parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

20. MISCELLANEOUS PROVISIONS

- 20.1. HIPAA Requirements. The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Agreement are hereby incorporated into this Agreement.
- 20.2. No Third Party Beneficiaries. Nothing in this Business Associate Agreement shall confer upon any person other than the Parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 20.3. Construction. In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 20.4. Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- 20.5. Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the Parties to comply with the HIPAA Rules.
- 20.6. Amendment. The Parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity or Business Associate to comply with the requirements of the HIPAA Rules and any other applicable privacy laws governing Protected Health Information.



EXHIBIT I (SAFELY SURRENDERED BABY LAW)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprana del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazaletes con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.





EXHIBIT J (JURY SERVICE ORDINANCE)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT J
JURY SERVICE ORDINANCE

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 1. Has ten or fewer employees during the contract period; and,
 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)



EXHIBIT K (SOURCE CODE ESCROW TERMS AND CONDITIONS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT K
SOURCE CODE ESCROW TERMS AND CONDITIONS

Contractor agrees to (1) deposit and maintain the Source Code in accordance with Sections 3.6.1 (Application Software) and 3.6.2 (Natural Degeneration) of the Agreement; (2) release the Source Code to County upon the occurrence of a Release Condition pursuant to Section 3.6.3 (Release Conditions) of the Agreement; and (3) otherwise perform its obligations in connection with the Source Code in accordance with the terms of the Agreement. Contractor has deposited a copy of the Source Code with NCC Group Escrow Associates, LLC, a software escrow agent, located at 8302 Dunwoody Place, Suite 150, Atlanta GA, 30350, USA (the “**Escrow**”) pursuant to a written escrow agreement (“**Escrow Agreement**”). The following Schedules, which comprise a copy of the Escrow Agreement and other documents effectuating the Escrow, are attached to this Exhibit K (Source Code Escrow Terms and Conditions) and are hereby incorporated by reference:

Schedule K.1	Escrow Agreement
Schedule K.2	Deposit Account Agreement
Schedule K.3	Registration Agreement



SCHEDULE K.1 (ESCROW AGREEMENT)

OF

EXHIBIT K (SOURCE CODE ESCROW TERMS AND CONDITIONS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

**Standard/Registered Multi Licensee Deposit Account
Software Escrow Agreement**

Date	June 2015
Licensors	Constellation Software
Agreement Number	63253

Notice: The parties to this Agreement are obliged to inform Escrow Agent of any changes to the Software or in their circumstances (including change of name, principal office, contact details or change of owner of the intellectual property in the Software).

Escrow Agreement Dated: June 22 2015

Between:

- (1) Constellation Software Inc. whose principal office is at 20 Adelaide St. E, Suite 1200 Toronto Ontario Canada f ("Licensor"); and
- (2) NCC Group Escrow Associates, LLC, a corporation organized and existing under the laws of Georgia with its principal office at 8302 Dunwoody Place, Suite 150, Atlanta, GA, 30350, USA ("Escrow Agent").

Background:

- (A) Licensor is the direct or indirect parent company to a large number of Affiliates (as defined below).
- (B) Licensee has been granted a license to use the Software which comprises computer programs.
- (C) Certain technical information and/or documentation relating to the Software is the confidential information and intellectual property of Licensor or a third party.
- (D) Licensor acknowledges that in certain circumstances, such information and/or documentation would be required by Licensee in order for it to continue to exercise its rights under its License Agreement with the Licensor.
- (E) The parties therefore agree that such information and/or documentation should be placed with a trusted third party, Escrow Agent, so that such information and/or documentation can be released to Licensee should certain circumstances arise.

Agreement:

In consideration of the mutual undertakings and obligations contained in this Agreement, the parties agree that:

1 Definitions and Interpretation

1.1 In this Agreement the following terms shall have the following meanings:

"**Affiliates**" means, collectively and individually, the companies which at any time, directly or indirectly through one or more intermediary companies, are controlled by or owned by, in whole or in part, Constellation Software Inc.

"**Agreement**" means the terms and conditions of this multi licensee deposit account software escrow agreement set out below, including the Schedule and Appendices hereto.

"**Confidential Information**" means all technical and/or commercial information not in the public domain and which is designated in writing as confidential by any party.

"**Deposit Account**" means an account set up on the execution of a Deposit Account Agreement under which specific Escrow Material is deposited by the Licensor with Escrow Agent.

"**Deposit Account Agreement**" means an agreement in the form attached as Appendix 1, for the setting up of a Deposit Account.

"**Deposit Form**" means the form at Schedule 1 which is to be completed by Licensor and delivered to Escrow Agent with each deposit of the Escrow Material.

"**Escrow Material**" means the Source Code of the Software and such other material and documentation (including updates and upgrades thereto and new versions thereof) as are necessary to be delivered or deposited to comply with Clause 3 of this Agreement.

"**Full Verification**" means the tests and processes forming Escrow Agent's Full Verification service and/or such other tests and processes as may be agreed between the parties for the verification of the Escrow Material.

"**Integrity Testing**" means those tests and processes forming Escrow Agent's Integrity Testing service, in so far as they can be applied to the Escrow Material.

"**Intellectual Property Rights**" mean any copyright, patents, design patents, registered designs, design rights, utility models, trademarks, service marks, trade secrets, know how, database rights, moral rights, confidential information, trade or business names, domain names, and any other rights of a similar nature including industrial and proprietary rights and other similar protected rights in any country or jurisdiction together with all registrations, applications to register and rights to apply for registration of any of the aforementioned rights and any licenses of or in respect of such rights.

"**License Agreement**" means the agreement under which a Licensee was granted a license to use the Software.

"**Licensee**" means any Standard Licensee and/or Registered Licensee and references in this Agreement to Licensee shall be to the relevant Licensee or Licensees given the context in which such reference is made.

"**Order Form**" means the order form setting out the details of the order placed with Escrow Agent for setting up

this Agreement and/or a Deposit Account Agreement and/or the registration of a Licensee under this Agreement.

"Registered Licensee" means a Licensee in relation to whom a Registration Agreement has been signed by the Licensee and the Licensor, forwarded to Escrow Agent and whose registration has been confirmed in writing by Escrow Agent to Licensor and Licensee.

"Registration Agreement" means an agreement in the form set out in Appendix 2 to be signed by Licensor, Escrow Agent and any company wishing to be a party to a Deposit Account Agreement or Deposit Account Agreements, as a Registered Licensee and, accordingly, to take the benefit of and be bound by the terms and conditions of the Agreement (save as varied in the Registration Agreement) including payment obligations as may be defined in the Registration Agreement.

"Release Purposes" means the purposes of understanding, maintaining, modifying and correcting the Software exclusively for the use of Licensee as permitted under the License Agreement, together with such other purposes (if any) as are permitted under the License Agreement.

"Software" means the software together with any updates and upgrades thereto and new versions thereof licensed to Licensee under the License Agreement details of which are set out in Schedule 1 of a Deposit Account Agreement.

"Source Code" means the computer programming code of the Software in human readable form.

"Standard Licensee" means a Licensee who is, subject to Clause 14.5, joined as a beneficiary to, or removed as a beneficiary from, a Deposit Account by the Licensor in its sole and absolute discretion from time to time and at any time, which the Licensor does by completing and submitting to Escrow Agent a list in the form set out in Appendix 3.

- 1.2 This Agreement shall be interpreted in accordance with the following:
- 1.2.1 headings are for ease of reference only and shall not be taken into consideration in the interpretation of this Agreement;
 - 1.2.2 all references to Clauses and Schedules are references to Clauses and Schedules of this Agreement; and
 - 1.2.3 all references to a party or parties are references to a party or parties to this Agreement.

2 Deposit Accounts, Standard Licensees and Registered Licensees

- 2.1 Any Affiliate may enter into a Deposit Account Agreement and any associated Registration Agreement(s) and in doing so agrees to be bound by the terms of this Agreement. All references to Licensor in this Agreement shall be to the Licensor or Licensors (which includes any relevant Affiliate) given the context in which such reference is made.
- 2.2 Each time that the Licensor wishes to deposit different Escrow Material under the terms of this Agreement, the Licensor and Escrow Agent must execute a completed Deposit Account Agreement containing the details of the Escrow Material to be deposited in accordance with the obligations contained in Clause 3.
- 2.3 Each signed Deposit Account Agreement shall be supplemental to and be governed by the terms of this Agreement.
- 2.4 For the avoidance of doubt, if the Escrow Material to be deposited is an update to or development of Escrow Material already deposited under an existing Deposit Account, the deposit of such Escrow Material shall not require a new Deposit Account and shall be deposited under the relevant existing Deposit Account.
- 2.5 The Licensor may add or remove Standard Licensees as beneficiaries to one or more Deposit Accounts by completing and submitting to Escrow Agent the information in respect of such Standard Licensee registered to each Deposit Account in the form set out in Appendix 3 every time it wishes to add Standard Licensees. A Standard Licensee may terminate its own registration under one or more Deposit Accounts in accordance with Clause 14.5. Escrow Agent shall be entitled to rely on the information provided in respect of each Standard Licensee together with any terminations provided by Standard Licensees or Licensor under Clause 14.9.
- 2.6 Registered Licensees may be added to one or more Deposit Accounts by forwarding to Escrow Agent a Registration Agreement signed by the Registered Licensee and the Licensor and such registration being confirmed in writing by Escrow Agent to Licensor and Licensee.
- 2.7 The Licensor shall ensure that the description of the Escrow Material in each of (i) the Deposit Account Agreement, (ii) the Deposit Form and (iii) the Registration Agreement all correspond with each other and the description on the Escrow Material when deposited.

3 Licensor's Duties and Warranties

- 3.1 Licensor shall:
 - 3.1.1 deliver a copy of the Escrow Material to Escrow Agent within 30 days of the date Escrow Agent receives an executed Deposit Account Agreement;

- 3.1.2 as may be required under the applicable License Agreement, deliver an update or replacement copy of the Escrow Material to Escrow Agent within 90 days of a material update, error correction, enhancement, maintenance release or functional modification to the Software which results in an updated delivery of the object code version of the Software to Licensee;
- 3.1.3 as may be required under the applicable License Agreement, ensure that each copy of the Escrow Material deposited under each Deposit Account with Escrow Agent comprises the Source Code of the latest version of the Software used by Licensee;
- 3.1.4 as may be required under the applicable License Agreement, deliver to Escrow Agent an update or replacement copy of the Escrow Material deposited under each Deposit Account within 30 days after the anniversary of the last delivery of the Escrow Material to ensure that the integrity of the Escrow Material media is maintained;
- 3.1.5 deliver with each deposit of the Escrow Material a Deposit Form which includes the following information:
 - 3.1.5.1 details of the deposit including the full name of the Software (i.e. the original product name and deposit account number as set out under Schedule 1 to the Deposit Account Agreement together with any new names given to the Software by Licensor), version details, media type, backup command/software used, compression used, archive hardware and operating system details; and
 - 3.1.5.2 password/encryption details required to access the Escrow Material;
- 3.1.6 as may be required under the applicable License Agreement, deliver with each deposit of the Escrow Material deposited under each Deposit Account the following technical information (where applicable):
 - 3.1.6.1 documentation describing the procedures for building, compiling and installing the Software, including names and versions of the development tools;
 - 3.1.6.2 Software design information (e.g. module names and functionality); and
 - 3.1.6.3 name and contact details of employees with knowledge of how to maintain and support the Escrow Material; and
- 3.1.7 as may be required under the applicable License Agreement, deposit a detailed list of the suppliers of any third party software and tools required to access, install, build or compile or otherwise use the Escrow Material.
- 3.2 Licensor warrants to both Escrow Agent and Licensee at the time of each deposit of the Escrow Material under each Deposit Account with Escrow Agent that:
 - 3.2.1 it has the full right, ability and authority to deposit the Escrow Material;
 - 3.2.2 in entering into this Agreement and any Deposit Account Agreement and performing its obligations under such agreements, it is not in material breach of any of its ongoing express or implied obligations to any third party(s); and
 - 3.2.3 the Escrow Material deposited under Clause 3.1 contains all information in human-readable form and is on suitable media to enable a reasonably skilled programmer or analyst to understand, maintain, modify and correct the Software.
- 4 Licensee's Responsibilities and Undertakings**
 - 4.1 Licensee shall notify Escrow Agent of any change to the Software that necessitates a replacement deposit of the Escrow Material.
 - 4.2 In the event that the Escrow Material deposited under one or more Deposit Accounts is released under Clause 7, Licensee shall:
 - 4.2.1 keep the Escrow Material confidential at all times;
 - 4.2.2 use the Escrow Material only for the Release Purposes;
 - 4.2.3 not disclose the Escrow Material to any person save such of Licensee's employees who need to know the same for the Release Purposes, or to Licensee's contractors, as may be permitted under the License Agreement, who need to know the same for the Release Purposes. In the event that Escrow Material is disclosed to its employees or contractors, Licensee shall ensure that they are bound by the same confidentiality obligations and restrictions on use as are contained in this Clause 4.2;
 - 4.2.4 hold all media containing the Escrow Material in a safe and secure environment when not in use; and
 - 4.2.5 forthwith destroy the Escrow Material should Licensee cease to be entitled to use the Software under the terms of the License Agreement.

- 4.3 In the event that Escrow Agent releases any Escrow Material to a Standard Licensee, the Standard Licensee shall be required, as a condition of release, to sign an undertaking to confirm its agreement to the obligations contained in Clause 4.2.

5 Escrow Agent's Duties

- 5.1 Escrow Agent shall:
- 5.1.1 at all times during the term of this Agreement, retain the latest deposit of the Escrow Material deposited under each Deposit Account in a safe and secure environment;
 - 5.1.2 notify Licensor and the relevant Licensee of the acceptance of any Registration Agreement;
 - 5.1.3 inform Licensor and relevant Standard and Registered Licensee(s) of the receipt of any deposit of the Escrow Material under a Deposit Account by sending to all parties a copy of the Deposit Form and/or the integrity Testing report or Full Verification report (as the case may be) generated from the testing processes carried out under Clause 11; and
 - 5.1.4 at all times during the term of this Agreement, directly or indirectly, without the prior permission of the Licensee, solicit or have contact with any entity which is a customer of the Licensee, except as may be strictly required to comply with the terms of this Agreement.
- 5.2 In the event of failure by Licensor to deposit any Escrow Material under a Deposit Account with Escrow Agent, Escrow Agent shall not be responsible for procuring such deposit and may, at its sole discretion, notify the Licensor and Standard and Registered Licensees of Licensor's failure to deposit any Escrow Material under a Deposit Account.
- 5.3 Escrow Agent may appoint agents, contractors or sub-contractors as it deems fit to carry out the Integrity Testing and the Full Verification processes. Escrow Agent shall ensure that any such agents, contractors and sub-contractors are bound by the same confidentiality obligations as are contained in Clause 9.
- 5.4 Escrow Agent has the right to make such copies of the Escrow Material as may be necessary solely for the purposes of this Agreement.

6 Payment

- 6.1 The parties shall pay Escrow Agent's fees and charges as, as listed in the Order Form or as may be otherwise agreed and, in the case of Registered Licenses, in the Registration Agreement. Escrow Agent's fees are exclusive of any applicable sales tax.
- 6.2 If Escrow Agent is required to perform any additional or extraordinary services as a result of being an escrow agent including intervention in any litigation or proceeding, Escrow Agent shall receive reasonable compensation for such services and be reimbursed for all costs incurred, including reasonable attorney's fees.
- 6.3 Escrow Agent shall be entitled to review and vary its standard fees and charges for its services under this Agreement from time to time but no more than once a year and only upon 45 days written notice to the parties and any increase in such fees and charges shall at no time during any 12 month period, exceed the lesser of 5% or the increase in the Consumer Price Index (as determined by the parties acting reasonably) during such preceding 12 month period.
- 6.4 All invoices are payable within 30 days from the date of invoice. Interest shall accrue at the lesser of 1.5% per month or the maximum amount permitted by applicable law for any fees that are undisputed by the paying party and remain unpaid for more than 30 days past the due date of the applicable invoice.
- 6.5 In the event of a dispute made in good faith as to the amount of fees, the party responsible for payment agrees to remit payment on any undisputed amount(s) in accordance with Clause 6.1 above. In such circumstances, the interest on the fees shall not accrue as to any disputed amounts unless not paid within 30 days after such dispute has been resolved by the parties.

7 Release Procedures

- 7.1 Subject to: (i) the remaining provisions of this Clause 7 and (ii) the receipt by Escrow Agent of the fees chargeable upon a release and any other fees and interest (if any) outstanding under this Agreement, Escrow Agent will release the Escrow Material deposited under the relevant Deposit Accounts to which the Licensee is a party (whether as a Standard Licensee or a Registered Licensee) to a duly authorized representative of Licensee if any of the following events ("Release Event(s)") occur:
- 7.1.1 a receiver, trustee, or similar officer is appointed for the business or property of Licensor; or
 - 7.1.2 Licensor files a petition in bankruptcy, files a petition seeking any reorganization (without confirming immediately in writing to Licensee that it will continue to maintain the Software in accordance with the terms of the License Agreement or any applicable maintenance agreement), makes an arrangement, composition, or similar relief under any law regarding insolvency or relief for debtors, or makes an assignment for the benefit of creditors; or

- 7.1.3 any involuntary petition or proceeding under bankruptcy or insolvency laws is instituted against Licensor and not stayed, enjoined, or discharged within 60 days; or
 - 7.1.4 Licensor takes any corporate action authorizing any of the foregoing; or
 - 7.1.5 any similar or analogous proceedings or event to those in Clauses 7.1.1 to 7.1.3 above occurs in respect of Licensor within any jurisdiction outside the USA; or
 - 7.1.6 Licensor (or its applicable successor) permanently ceases to carry on its business or the part of its business which relates to the Software; or
 - 7.1.7 Licensor or, where relevant, its agent, parent, subsidiary or associated company is in material breach of its obligations as to maintenance or modification of the Software under the License Agreement or any maintenance agreement entered into in connection with the Software and has failed to remedy such default notified by Licensee to Licensor within a reasonable period, and such default requires or allows for such release of the Escrow Material pursuant to the terms of the applicable License Agreement.
- 7.2 Licensee must notify Escrow Agent of the occurrence of a Release Event specified in Clause 7.1 by delivering to Escrow Agent a notice in writing ("Notice") declaring that such Release Event has occurred and specifying the Deposit Account(s) so affected, and setting out the facts and circumstances of the Release Event, that the License Agreement and any maintenance agreement, if relevant, for the Software was still valid and effective up to the occurrence of such Release Event and exhibiting such documentary evidence in support of the Notice as Escrow Agent shall reasonably require.
- 7.3 Upon receipt of a Notice from Licensee claiming that a Release Event has occurred:
- 7.3.1 Escrow Agent shall submit a copy of the Notice to Licensor (with a copy to the Licensee in order to acknowledge receipt of the Notice) by courier or other form of guaranteed delivery; and
 - 7.3.2 unless within 14 calendar days after the date of dispatch of the Notice by Escrow Agent, Escrow Agent receives a counter-notice in writing from Licensor stating that in their view no such Release Event has occurred or, if appropriate, that the event or circumstance giving rise to the Release Event has been rectified as shown by documentation in support thereof,
- Escrow Agent will release the Escrow Material deposited under the relevant Deposit Accounts to which the Licensee is party and which Licensee has requested, to Licensee for its use for the Release Purposes.
- 7.4 Upon receipt of the counter-notice from Licensor under Clause 7.3.2, Escrow Agent shall send a copy of the counter-notice and any supporting evidence to Licensee (with a copy to Licensor in order to acknowledge receipt of the counter-notice) by courier or other form of guaranteed delivery.
- 7.5 Within 90 calendar days of dispatch of the counter-notice by Escrow Agent, Licensee may give Licensor and Escrow Agent written notice of its intention to arbitrate under Clause 8 ("Demand").
- 7.6 If, within 90 calendar days of dispatch of the counter-notice by Escrow Agent to Licensee, Licensee has not given a Demand to Licensor and Escrow Agent, the Notice submitted by Licensee will be deemed to be no longer valid and Licensee shall be deemed to have waived their right to release of the Escrow Material deposited under the relevant Deposit Accounts to which the Licensee is party and which Licensee has requested for the particular reason or event specified in the original Notice. In such circumstances, this Agreement shall continue in full force and effect.

8 Disputes regarding Release Event(s)

- 8.1 All disputes regarding whether the Release Event(s) specified in the Notice occurred before the Licensee delivered the Notice to Escrow Agent shall be decided by one (1) arbitrator. The place of the arbitration shall be Atlanta, Georgia. If the Licensor and Licensee have not agreed on an arbitrator within seven (7) days after the Licensor receives the Demand, the American Arbitration Association (AAA) shall appoint an arbitrator within ten (10) days of receipt of a request to appoint an arbitrator, which may be filed by either the Licensor or Licensee. The arbitrator's agreement to the deadlines set forth in this Clause 8 shall be a condition to the appointment as arbitrator, but failure to adhere to these time limits shall not be a basis for challenging the award.
- 8.2 Within seven (7) days of the appointment of the arbitrator, the Licensor and Licensee shall each provide written submissions to the arbitrator, together with all documentary evidence in their possession in support of their claim.
- 8.3 Based solely on the written submissions of the Licensor and Licensee, and without the need for a hearing, the arbitrator shall render and deliver his or her award to the Licensor, the Licensee and Escrow Agent within fourteen (14) days of receiving the written submissions from the Licensor and Licensee. The Licensee and Licensor may agree to extend this time limit or the arbitrator may do so in its discretion if he or she determines that the interest of justice so requires.
- 8.4 The award shall be limited to a determination of whether or not there existed a Release Event at the time Licensee delivered the Notice to Escrow Agent and, where the Licensor claims within the timescales specified in Clause 7.3.2 that the Release Event has been rectified and the Licensee does not agree, to a determination of whether or not the Release Event has in fact been rectified. In addition, the arbitrator shall award the prevailing party its attorneys' fees and costs, including the fees and costs of the arbitrator.

- 8.5 The arbitral award shall be final and binding upon the Parties hereto. If the arbitrator finds that a Release Event existed at the time of delivery of the Notice to Escrow Agent, Escrow Agent is hereby authorized to release and deliver the Escrow Material deposited under the relevant Deposit Account to which the Licensee is party and which the Licensee has requested to the Licensee within 5 working days of the decision being notified by the arbitrator to the parties. If the arbitrator finds to the contrary, then Escrow Agent shall not release the Escrow Material and shall continue to hold the Escrow Material in accordance with the terms of this Agreement.
- 8.6 The Parties agree that the arbitration provided in this Clause 8 shall not be consolidated or joined with any other proceeding regarding disputes between or among any of the Parties.

9 Confidentiality

- 9.1 The Escrow Material shall remain at all times the confidential and intellectual property of its owner.
- 9.2 In the event that Escrow Agent releases any Escrow Material to Licensee, Licensee shall be permitted to use the Escrow Material only for the Release Purposes.
- 9.3 Subject to Clause 9.4, Escrow Agent agrees to keep all Confidential Information relating to the Escrow Material and/or the Software that comes into its possession or to its knowledge under this Agreement in strict confidence and secrecy. Escrow Agent further agrees not to make use of such information and/or documentation other than for the purposes of this Agreement and, unless the parties should agree otherwise in writing and subject to Clause 9.4, will not disclose or release it other than in accordance with the terms of this Agreement.
- 9.4 Escrow Agent may release any Escrow Material to the extent that it is required by applicable federal, state or local law, regulation, court order, judgment, decree or other legal process, provided that, unless prohibited by the terms of the order or the relevant law or regulation, Escrow Agent has notified Licensor and Licensee prior to such required release, has given Licensor and/or Licensee an opportunity to contest (at their own expense) such required release, within the time parameters mandated by such applicable regulation, court order, judgment, decree or other legal process. Escrow Agent is hereby expressly authorized in its sole discretion to obey and comply with all orders, judgments, decrees so entered or issued by any court, without the necessity of inquiring as to the validity of such order, judgment or decree, or the court's underlying jurisdiction. Where Escrow Agent obeys or complies with any such order, judgment or decree, Escrow Agent shall not be liable to Licensee, Licensor or any third party by reason of such compliance, notwithstanding that such order, judgment or decree may subsequently be reversed, modified or vacated.
- 9.5 Any request by a Licensee under Clause 11.3 for a Full Verification shall not be disclosed to any other Licensee(s) except as the requesting Licensee agrees.

10 Intellectual Property Rights

- 10.1 The release of any Escrow Material to Licensee will not act as an assignment of any Intellectual Property Rights that Licensor or any third party possesses in the Escrow Material. However, upon deposit of any Escrow Material, the title to the media upon which the Escrow Material is deposited ("Media") is transferred to Escrow Agent. Upon delivery of the Escrow Material back to Licensor, the title to the Media shall transfer back to the Licensor. If the Escrow Material is released to the Licensee, the title to the Media shall transfer to the Licensee.
- 10.2 The Intellectual Property Rights in the Integrity Testing report and any Full Verification report shall remain vested in Escrow Agent. Licensor and Licensee shall each be granted a non-exclusive right and license to use the Integrity Testing report for the purposes of this Agreement and their own internal purposes only. Licensor and the party who commissioned the Full Verification shall each be granted a non-exclusive right and license to use the Full Verification report for the purposes of this Agreement and their own internal purposes only.

11 Integrity Testing and Full Verification

- 11.1 Escrow Agent shall bear no obligation or responsibility to any party to this Agreement or person, firm, company or entity whatsoever to determine the existence, relevance, completeness, accuracy, operation, effectiveness, functionality or any other aspect of any Escrow Material received by Escrow Agent under this Agreement.
- 11.2 As soon as practicable after any Escrow Material has been deposited with Escrow Agent, Escrow Agent shall apply its Integrity Testing processes to that Escrow Material.
- 11.3 Any party to this Agreement shall be entitled to require Escrow Agent to carry out a Full Verification. Subject to Clause 11.4, Escrow Agent's prevailing fees and charges for the Full Verification processes and all reasonable expenses incurred by Escrow Agent in carrying out the Full Verification processes shall be payable by the requesting party.
- 11.4 If any Escrow Material fails to satisfy Escrow Agent's Full Verification tests as a result of being defective or incomplete in content, Escrow Agent's fees, charges and expenses in relation to the Full Verification tests shall be paid by Licensor.
- 11.5 Should any Escrow Material deposited fail to satisfy Escrow Agent's Integrity Testing or Full Verification tests under Clauses 11.2 or 11.3, Licensor shall, within 14 days of the receipt of the notice of test failure from Escrow Agent, deposit such new, corrected or revised Escrow Material as shall be necessary to ensure its compliance with its warranties and obligations in Clause 3. If Licensor fails to make such deposit of the new, corrected or revised Escrow Material, Escrow Agent will issue a report to the relevant Licensee(s) (with a copy to Licensor) detailing the problem with the Escrow Material as revealed by the relevant tests.

12 Escrow Agent's Liability

- 12.1 Nothing in this Clause 12 excludes or limits the liability of Escrow Agent for gross negligence or intentional misconduct.
- 12.2 Subject to Clause 12.1, Escrow Agent shall not be liable for:
- 12.2.1 any loss or damage caused to either Licensor or Licensee except to the extent that such loss or damage is caused by the negligent acts or omissions of or a breach of any contractual duty by Escrow Agent, its employees, agents or sub-contractors, and in such event, Escrow Agent's total liability with regard to all claims arising under or by virtue of this Agreement or in connection with the performance or contemplated performance of this Agreement, shall not exceed the sum of \$250,000 (two hundred and fifty thousand US dollars); and
- 12.2.2 any special, indirect, incidental or consequential damages whatsoever.
- 12.3 Escrow Agent shall not be responsible in any manner whatsoever for any failure or inability of Licensor or Licensee to perform or comply with any provision of this Agreement.
- 12.4 Escrow Agent shall not be liable in any way to Licensor or Licensee for acting in accordance with the terms of this Agreement and specifically (without limitation) for acting upon any notice, written request, waiver, consent, receipt, statutory declaration or any other document furnished to it pursuant to and in accordance with this Agreement.
- 12.5 Escrow Agent shall not be required to make any investigation into, and shall be entitled in good faith without incurring any liability to Licensor or Licensee to assume (without requesting evidence thereof) the validity, authenticity, veracity and due and authorized execution of any documents, written requests, waivers, consents, receipts, statutory declarations or notices received by it in respect of this Agreement.
- 12.6 Escrow Agent shall not be liable in any way to Licensor or Licensee for acting, subject to any terminations pursuant to Clause 14.5, in reliance on any information in respect of Standard Licensees provided under Clause 2.5 together with any Registration Agreements executed and confirmed by Escrow Agent.

13 Indemnity

- 13.1 Save for any claim falling within the provisions of Clause 12.1, the Licensor and the Licensee involved in the dispute or litigation jointly and severally agree at all times to indemnify and hold harmless Escrow Agent in respect of all of its legal and all other costs (including reasonable attorney's fees), fees and expenses incurred directly or indirectly as a result of being brought into or otherwise becoming involved in any form of dispute resolution proceedings or any litigation of any kind between the Licensor and the Licensee in relation to this Agreement to the extent that this Agreement does not otherwise provide for reimbursement of such costs.
- 13.2 The Licensor shall assume all liability and shall at all times indemnify and hold harmless Escrow Agent and its officers, agents, sub-contractors and employees from and against any and all liability, loss, damages, costs, legal costs (including reasonable attorney's fees), professional and other expenses and any other liabilities of whatever nature, awarded against or agreed to be paid or otherwise suffered, incurred or sustained by Escrow Agent, whether direct, indirect or consequential as a result of or in connection with any claim by any third party(s) for alleged or actual infringement of Intellectual Property Rights arising out of or in connection with all and any acts or omissions of Escrow Agent in respect of the Escrow Material as contemplated under this Agreement.
- 13.3 The Licensor shall, where Escrow Agent has acted pursuant to Clause 12.6 above, assume all liability and shall at all times indemnify and hold harmless Escrow Agent and its officers, agents, sub-contractors and employees from and against any and all liability, loss, damages, costs, legal costs (including reasonable attorney's fees), professional and other expenses and any other liabilities of whatever nature, awarded against or agreed to be paid or otherwise suffered, incurred or sustained by Escrow Agent, whether direct, indirect or consequential as a result of or in connection with any claim by a Licensor, Licensee or any third party(s) that Escrow Agent has either failed to release some or all of the correct Escrow Material on a Release Event or has released Escrow Material that it should not have released.

14 Term and Termination

- 14.1 This Agreement and any Deposit Account Agreement shall continue until terminated in accordance with this Clause 14.
- 14.2 If Licensor or Licensee, as the case may be, fails to pay an invoice addressed to it for services under this Agreement and/or any Deposit Account Agreement within 30 days of its issue, Escrow Agent reserves the right to give that party written notice to pay the outstanding invoice within 30 days. If Licensor has not paid its invoice by the expiry of the 30 day notice period, Escrow Agent will give Licensee(s) a period of 30 days to pay Licensor's invoice. If Licensor or Licensee (as appropriate) has not paid its invoice after being given notice in accordance with this Clause, Escrow Agent shall have the right to terminate this Agreement, the relevant Deposit Account Agreement or the registration of Licensee (as appropriate) without further notice. Any amounts owed by Licensor but paid by Licensee(s) will be recoverable by Licensee(s) direct from Licensor as a debt and, if requested, Escrow Agent shall provide appropriate documentation to assist in such recovery.
- 14.3 Upon termination of this Agreement and/or a Deposit Account Agreement in their entirety under the provisions of Clause 14.2, for 30 days from the date of termination Escrow Agent will make the relevant Escrow Material

available for collection by Licensor or its agents from the premises of Escrow Agent during office hours. After such 30 day period Escrow Agent has the authority to destroy the Escrow Material.

- 14.4 Notwithstanding any other provision of this Clause 14, Escrow Agent may resign as escrow agent hereunder and terminate this Agreement and/or a Deposit Account Agreement(s) by giving ninety (90) days written notice to Licensor and Licensee(s). In the event that this Agreement and/or a Deposit Account Agreement is terminated in its entirety, Licensor and Licensee(s) shall appoint a mutually acceptable new custodian on similar terms and conditions to those contained herein. If a new custodian is not appointed within 14 days of delivery of such notice, Licensor or Licensee(s) shall be entitled to request the American Arbitration Association to appoint a suitable new custodian upon terms and conditions consistent with those in this Agreement. Such appointment shall be final and binding on Licensor and Licensee(s). If Escrow Agent is notified of the new custodian within the notice period, Escrow Agent will forthwith deliver the Escrow Material to the new custodian. If Escrow Agent is not notified of the new custodian within the notice period and this Agreement and/or a Deposit Account Agreement has been terminated in its entirety, Escrow Agent will return the Escrow Material to Licensor.
- 14.5 A Standard Licensee or Registered Licensee may terminate any and all Deposit Account Agreements in respect of itself only at any time by giving sixty (60) days prior written notice to Escrow Agent.
- 14.6 If the License Agreement with a Registered Licensee has expired or has been lawfully terminated, then Registered Licensee shall give notice to Escrow Agent within 14 days thereof to terminate its interest under the relevant Deposit Account Agreement(s), failing which, Licensor shall be entitled to give written notice to Escrow Agent to terminate the relevant Registered Licensee's interests under the relevant Deposit Account Agreement(s). Upon receipt of such a notice from Licensor, Escrow Agent shall notify Registered Licensee of Licensor's notice to terminate. Unless within 30 days of Escrow Agent giving such notice to Registered Licensee, Escrow Agent receives a counter-notice from Registered Licensee disputing the termination of the License Agreement, then Registered Licensee shall be deemed to have consented to such termination and Registered Licensee's rights under the relevant Deposit Account Agreement shall immediately automatically terminate. Any disputes arising under this Clause shall be dealt with in accordance with the dispute resolution procedure in Clause 8. Upon termination of all Registered and Standard Licensees under a Deposit Account Agreement under this Clause, Escrow Agent shall return the Escrow Material to Licensor.
- 14.7 Subject to Clause 14.6, Licensor may only terminate the interests of any Registered Licensee under a Deposit Account Agreement with the written consent of that Registered Licensee.
- 14.8 Subject to Clause 14.6, Licensor may only terminate this Agreement in its entirety with the written consent of all Registered Licensees.
- 14.9 Licensor may terminate the interests of any Standard Licensee under a Deposit Account Agreement at any time by submitting to Escrow Agent reasonable written notice thereof.
- 14.10 A Deposit Account Agreement shall automatically immediately terminate in respect of a Licensee upon release of the Escrow Material to that Licensee in accordance with Clause 7.
- 14.11 If this Agreement or a Deposit Account Agreement is superseded and replaced by a new agreement in respect of the Escrow Material, this Agreement and/or the relevant Deposit Account Agreement shall, upon the coming into force of the new agreement in respect of a Licensee, automatically terminate in respect of that Licensee. When this Agreement and/or a Deposit Account Agreement has been terminated in respect of all Licensees who are registered under it, it shall immediately terminate in its entirety. The relevant party or parties shall request Escrow Agent to either transfer the Escrow Material to the new agreement or ask Licensor under the new agreement to deposit new material. If new material is deposited, upon its receipt, Escrow Agent shall, unless otherwise instructed, destroy the Escrow Material.
- 14.12 The termination of this Agreement and/or a Deposit Account Agreement in respect of a Licensee shall be without prejudice to the continuation of this Agreement and/or the Deposit Account Agreement in respect of any other Licensees.
- 14.13 If any terminations of Licensees' interests under this Agreement and/or a Deposit Account Agreement result in there being no Licensees registered under this Agreement and/or the Deposit Account Agreement, unless otherwise instructed by Licensor, this Agreement and/or the Deposit Account Agreement will continue and the Escrow Material will be retained by Escrow Agent pending registration of other Licensees.
- 14.14 The provisions of Clauses 1, 4.2, 6, 9, 10, 11.1, 12, 13, 14.14 to 14.16 (inclusive) and 15 shall continue in full force after termination of this Agreement.
- 14.15 On and after termination of this Agreement and/or a Deposit Account Agreement, Licensor and/or Licensee(s) (as appropriate) shall remain liable to Escrow Agent for payment in full of any fees and interest which have become due but which have not been paid as at the date of termination.
- 14.16 The termination of this Agreement and/or a Deposit Account Agreement, however arising, shall be without prejudice to the rights accrued to the parties prior to termination.

15 General

- 15.1 Licensor and Licensee(s) shall notify Escrow Agent and each other, within 30 days of its occurrence, of any of the following:

- 15.1.1 a change of its name, principal office, contact address or other contact details; and
- 15.1.2 any material change in its circumstances that may affect the validity or operation of this Agreement or a Deposit Account Agreement.

Escrow Agent shall be entitled to contact any party to this Agreement (including Standard Licensees or any Licensor) as required to enable it to provide its services under this Agreement, including, but not limited, to verify that it has up-to-date contact details.

- 15.2 This Agreement shall be deemed entered into in Georgia and will be governed by and construed according to the laws of the state of Georgia, excluding that body of law known as conflict of law. The parties agree that any dispute arising under this Agreement, except as provided in Clause 8, will be resolved in the state or federal courts in Atlanta, Georgia and the parties hereby expressly consent to the jurisdiction thereof.
- 15.3 This Agreement and the relevant Deposit Account Agreement together with any relevant Order Form and, in respect of each Registered Licensee, their Registration Agreement and in respect of each Standard Licensee, the inclusion of them in the Appendix 3 list and any relevant Escrow Agent standard terms and conditions including Escrow Agent escrow terms and conditions and, where applicable, Escrow Agent verification terms and conditions represents the whole agreement relating to the escrow arrangements between Escrow Agent, Licensor and that Licensee for the Software and shall supersede all prior agreements, discussions, arrangements, representations, negotiations and undertakings. In the event of any conflict between these documents, the terms of this Agreement shall prevail.
- 15.4 Unless the provisions of this Agreement otherwise provide, any notice or other communication required or permitted to be given or made in writing hereunder shall be validly given or made if delivered by hand or courier or if dispatched by certified or registered mail (airmail if overseas) addressed to the address specified for the parties in this Agreement, the Deposit Account Agreement or their Registration Agreement (or such other address as may be notified to the parties from time to time) or if sent by facsimile message to such facsimile number as has been notified to the parties from time to time and shall be deemed to have been received:
 - (i) if delivered by hand or courier, at the time of delivery;
 - (ii) if sent by certified or registered mail (airmail if overseas), 3 business days after posting (6 days if sent by airmail);
 - (iii) if sent by facsimile, at the time of completion of the transmission of the facsimile with facsimile machine confirmation of transmission to the correct facsimile number of all pages of the notice.

Licensor (as amended from time to time):

BUSINESS CONTACT

Company: Constellation Software
 Contact: Mark Dennison Title: General Counsel
 Address: 20 Adelaide St E, Suite 1200
 City, State, Zip: _____
 Telephone: _____
 Email: _____

Escrow Agent (as amended from time to time):

BUSINESS CONTACT

Company: NCC Group
 Contact: Melvin Seals Title: Account Rep
 Address: 123 Misson St. Suite 900
 City, State, Zip: San Francisco, CA 94105
 Telephone: (415)268-9238 Fax: (415)974-6339
 Email: Melvin.Seals@nccgroup.com


- 15.5 Except where Licensor or Licensee merges, is acquired or has substantially all of its assets acquired and the new entity or acquirer agrees to assume all of their obligations and liabilities under this Agreement and the relevant Deposit Account Agreement, Licensor and Licensee shall not assign, transfer or subcontract this Agreement or any rights or obligations hereunder without the prior written consent of the other parties.
- 15.6 Escrow Agent shall be entitled to transfer or assign this Agreement upon written notice to both Licensor and all Licensees.
- 15.7 This Agreement shall be binding upon and survive for the benefit of the successors in title and permitted assigns of the parties.

- 15.8 If any provision of this Agreement is declared too broad in any respect to permit enforcement to its full extent, the parties agree that such provision shall be enforced to the maximum extent permitted by law and that such provision shall be deemed to be varied accordingly. If any provision of this Agreement is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, or unenforceable, it shall, to the extent of such illegality, invalidity or unenforceability, be deemed severable and the remaining part of the provision and the rest of the provisions of this Agreement shall continue in full force and effect.
- 15.9 Save as expressly provided in this Agreement, no amendment or variation of this Agreement or a Deposit Account Agreement shall be effective unless in writing and signed by a duly authorized representative of each of the parties to it.
- 15.10 Escrow Agent shall, on request by Licensor or Standard or Registered Licensee, provide a copy of this Agreement to the relevant Standard or Registered Licensee(s) stated in the request.
- 15.11 The parties shall not be liable to each other or be deemed to be in breach of this Agreement by reason of any delay in performing, or failure to perform, any of their obligations under this Agreement if the delay or failure was for a reason beyond that party's reasonable control (including, without limitation, fire, flood, explosion, epidemic, riot, civil commotion, any strike, lockout or other industrial action, act of God, war or warlike hostilities or threat of war, terrorist activities, accidental or malicious damage, or any prohibition or restriction by any governments or other legal authority which affects this Agreement and which is not in force on the date of this Agreement). A party claiming to be unable to perform its obligations under this Agreement (either on time or at all) in any of the circumstances set out above must notify the other parties of the nature and extent of the circumstances in question as soon as practicable. If such circumstances continue for more than six months, any of the other parties shall be entitled to terminate this Agreement by giving one month's notice in writing.
- 15.12 No waiver by any party of any breach of any provisions of this Agreement shall be deemed to be a waiver of any subsequent or other breach and, subject to Clause 7.6, no failure to exercise or delay in exercising any right or remedy under this Agreement shall constitute a waiver thereof.
- 15.13 This Agreement may be executed in any number of counterparts and by different parties in separate counterparts. Each counterpart when so executed shall be deemed to be an original and all of which together shall constitute one and the same agreement.

Signed for and on behalf of Constellation Software Inc.

Name:  : Mark Dennison
 Position: General Counsel : (Authorized Signatory)

Signed for and on behalf of NCC GROUP ESCROW ASSOCIATES, LLC

Name: Wayne Phillips : 
 Position: Director : (Authorized Signatory)

Schedule 1 (Deposit Form)

ESCROW MATERIALS DEPOSIT FORM	
Escrow Account Number:	[Agreement Number]
Product Name:	[Software Name]
Deposit Account Number:	[]
Date:	

DEPOSITOR DETAILS

Company Name:		Technical Contact:	
Address:		Signature:	
		Position:	
Telephone No:		Email Address:	

MATERIAL DETAILS

Media Type (e.g. Disc, Tape etc.)	Number of media items	Name of Software	Version/Release
Hardcopy Documents (please supply details):			
Softcopy Documents (please give location on media, e.g. \docs\build):			
What Hardware was used to create the media deposit?			
What Operating System was used?			
What Backup Command/Software was used?			
What Software Compression has been used?			
What Encryption/Password Protection has been used?			
In what Development Language is the source code written?			
Approximate size of the data on the media in megabytes?			
Provide details of any third party software required to access/compile the material.			
Provide details of any additional build information.			

The following information MUST be provided for Escrow Agent to accept the deposit of escrow material:

If this is your initial/first deposit, please fill in Section 1.

If this is your second or subsequent deposit (i.e. a replacement/update) please fill in Section 2.

<p>SECTION 1: Initial Deposit (First Deposit) – Is this a complete deposit? <input type="checkbox"/> YES <input type="checkbox"/> NO If NO, please indicate when the rest of the deposit will be sent _____</p>
<p>SECTION 2: Deposit Updates/Replacements – Is the deposit a complete replacement of any of the previous deposits? <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>If YES, would you like the past deposit(s) to be: <input type="checkbox"/> RETAINED <input type="checkbox"/> RETURNED <input type="checkbox"/> DESTROYED *For returns and destroys, please specify which deposit(s) this applies to by reference to the month and year of delivery to Escrow Agent (Tick 'ALL' if all previous deposits): <input type="checkbox"/> All <input type="checkbox"/> SPECIFIC DEPOSIT(S):</p>

<p>Signature: of Recipient: _____</p>	<p>Date material received by Escrow Agent: _____</p>
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Appendix 1

Template Deposit Account Agreement

Agreement dated:

Between:

- (1) [Licensorname] whose principal office is at [Licensoraddress] ("Licensor"); and
- (2) NCC Group Escrow Associates, LLC, a corporation organized and existing under the laws of Georgia with its principal office at 8302 Dunwoody Place, Suite 150, Atlanta GA, 30350, USA ("Escrow Agent").

Agreement:

In consideration of the mutual obligations and undertakings contained in the multi licensee deposit account software escrow agreement number _____ dated _____ ("Agreement") between Constellation Software, Inc. and Escrow Agent, the parties to this agreement agree as follows:

- 1 Licensor is an Affiliate (as defined in the Agreement) of Constellation Software, Inc..
- 2 Licensor agrees and undertakes to perform its obligations under and be bound by the terms and conditions of the Agreement as though they were a party to the Agreement and named therein as Licensor.
- 3 This agreement is a Deposit Account Agreement (as defined in the Agreement). This Deposit Account Agreement is supplemental to and governed by the terms and conditions of the Agreement.
- 4 This Deposit Account Agreement relates to the Escrow Material as defined in the Agreement and as described in Schedule 1 below.
- 5 Escrow Agent's fees are payable as set out in the Order Form.

Licensor:

BUSINESS CONTACT

Company: _____
 Contact: _____ Title: _____
 Address: _____
 City, State, Zip: _____
 Telephone: _____ Fax: _____
 Email: _____

Signed for and on behalf of [Licensorname]

Name:|.....
 Position:|..... (Authorized Signatory)
 Date:|.....

Signed for and on behalf of NCC GROUP ESCROW ASSOCIATES, LLC

Name:|.....
 Position:|..... (Authorized Signatory)
 Date:|.....

Schedule 1

Description of Escrow Material

Product name

Product description

Deposit Account No. [1]

Appendix 2

Registration Agreement

NOTE: A COPY OF THIS REGISTRATION AGREEMENT MUST BE DULY SIGNED BY AN AUTHORIZED SIGNATORY AND RETURNED TO ESCROW AGENT BEFORE A REGISTERED LICENSEE CAN CLAIM PROTECTION UNDER THE RELEVANT DEPOSIT ACCOUNT.

Agreement between:

- (1) [Licensorname] whose principal office is at [Licensoraddress] ("**Licensor**");
- (2) NCC Group Escrow Associates, LLC, a corporation organized and existing under the laws of Georgia with its principal office at 8302 Dunwoody Place, Suite 150, Atlanta GA, 30350, USA ("**Escrow Agent**"); and
- (3) Licensee's Name:
 whose principal office is at
 ("**Licensee**");

Agreement:

- 1. This registration agreement ("**Registration Agreement**") is supplemental to the terms and conditions of the multi licensee deposit account software escrow agreement number [Agreement#] dated _____ ("**Escrow Agreement**") between Constellation Software, Inc. and Escrow Agent and the Deposit Account Agreement(s) (as defined in the Escrow Agreement) product name(s) and number(s) _____ dated _____ between Licensor and Escrow Agent.
- 2. This Registration Agreement, the Escrow Agreement and the relevant Deposit Account Agreement(s) together shall form a binding agreement between Licensor, Escrow Agent and Licensee in accordance with the terms of the Escrow Agreement.
- 3. Licensee hereby agrees to take the benefit of, agrees and undertakes to perform its obligations under and be bound by the terms and conditions of the Escrow Agreement, including the payment obligations defined below, as though they were a party to the Escrow Agreement and the Deposit Account Agreement and named therein as a Licensee.
- 4. Licensor and Licensee agree to compensate Escrow Agent for its services pursuant to this agreement according to the schedule following:

	DESCRIPTION	RATE	LICENSOR	LICENSEE
1	Annual Escrow Management Fee	\$	100%	Nil
2	Deposit Account Initial Fee	\$	100%	Nil
3	Licensee Registration Fee (per individual Licensee registered, payable upon registration and upon the escrow account's anniversary every year thereafter)	\$	Nil	100%
4	Scheduled Update Fee (2 nd and subsequent scheduled deposits in any one year, payable on completion of this Agreement and in advance of each anniversary thereafter)	\$	100%	Nil
5	Licensee Termination Fee	\$	Nil	100%
6	Release Fee (plus Escrow Agent's reasonable expenses)	\$	Nil	100%

- 5. This Registration Agreement shall take effect when Escrow Agent has registered Licensee as a party to the relevant Deposit Account Agreement.

Licensee:

BUSINESS CONTACT

Company: _____
 Contact: _____ Title: _____
 Address: _____
 City, State, Zip: _____
 Telephone: _____ Fax: _____
 Email: _____

BILLING CONTACT (If different from above)

Contact: _____ Title: _____
 Address: _____
 City, State, Zip: _____
 Telephone: _____ Fax: _____
 Email: _____
 Purchase Order (if applicable): _____

Signed for and on behalf of [Licenseename]

Name:|.....
 Position:|..... (Authorized Signatory)
 Date:|.....

Signed for and on behalf of [Licensorname]

Name:|.....
 Position:|..... (Authorized Signatory)
 Date:|.....

Signed for and on behalf of NCC GROUP ESCROW ASSOCIATES, LLC

Name:|.....
 Position:|..... (Authorized Signatory)
 Date:|.....

Appendix 3

Standard Licensee List

NOTE: A COPY OF THIS STANDARD LICENSEE LIST MUST INCLUDE THE LICENSOR NAME, THE NAME OF THE PERSON AT THE LICENSOR SUBMITTING THE LIST AND THE DATE SUBMITTED TO ESCROW AGENT AND MUST BE RETURNED TO THE ESCROW AGENT BEFORE A STANDARD LICENSEE CAN CLAIM PROTECTION UNDER THE RELEVANT DEPOSIT ACCOUNT.

Licensor Name:

Form submitted by:

Date submitted:

Product name:

Deposit Account Number: [1]

Standard Licensee #1

Company Name: _____

Contact: _____

Address: _____

City, State, Zip: _____

Telephone: _____ Fax: _____

E-mail: _____

Deposit Account Number(s): _____

Standard Licensee #2

Company Name: _____

Contact: _____

Address: _____

City, State, Zip: _____

Telephone: _____ Fax: _____

E-mail: _____

Deposit Account Number(s): _____

Product name:

Deposit Account Number: [2]

Standard Licensee #1

Company Name: _____

Contact: _____
Address: _____
City, State, Zip: _____
Telephone: _____ Fax: _____
E-mail: _____
Deposit Account Number(s): _____

Standard Licensee #2

Company Name: _____
Contact: _____
Address: _____
City, State, Zip: _____
Telephone: _____ Fax: _____
E-mail: _____
Deposit Account Number(s): _____



SCHEDULE K.2 (DEPOSIT ACCOUNT AGREEMENT)

OF

EXHIBIT K (SOURCE CODE ESCROW TERMS AND CONDITIONS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

Appendix 1

Deposit Account Agreement 67063

Agreement dated: 1/26/17

Between:


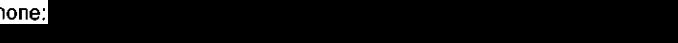
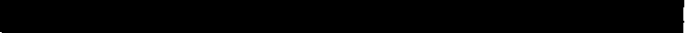
- (1) Quadramed Affinity Corporation whose principal office is at 2300 Corporate Park Drive, Suite 400, Herndon, VA 20171 ("Licensor"); and
- (2) NCC Group Escrow Associates, LLC, a limited liability company organized and existing under the laws of Georgia with its principal office at 8302 Dunwoody Place, Suite 150, Atlanta GA, 30350, USA ("Escrow Agent").

Agreement:

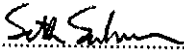
In consideration of the mutual obligations and undertakings contained in the multi licensee deposit account software escrow agreement number 63253 dated June 22, 2015 ("Agreement") between the Licensor and Escrow Agent, the parties to this agreement agree as follows:

- 1 Licensor is an Affiliate (as defined in the Agreement) of Constellation Software, Inc.
- 2 Licensor agrees and undertakes to perform its obligations under and be bound by the terms and conditions of the Agreement as though they were a party to the Agreement and named therein as Licensor.
- 3 This agreement is a Deposit Account Agreement (as defined in the Agreement). This Deposit Account Agreement is supplemental to and governed by the terms and conditions of the Agreement.
- 4 This Deposit Account Agreement relates to the Escrow Material as defined in the Agreement and as described in Schedule 1 below.
- 5 Escrow Agent's fees are payable as set out in the Order Form.

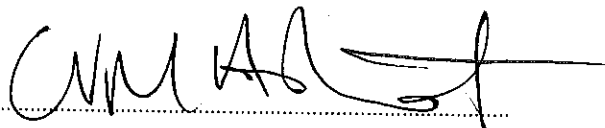
Licensor:

BUSINESS CONTACT
 Company: QuadraMed Affinity Corporation
 Contact: Seth Salmon Title: Vice President
 Address: 2300 Corporate Park Dr. Suite 400
 City, State, Zip: 
 Telephone: 
 Email: 

Signed for and on behalf of Quadramed Affinity Corporation

Name: Seth Salmon 
 Position: Vice President, Research & Development
 Date: 1/26/2017
 (Authorized Signatory)

Signed for and on behalf of NCC Group Escrow Associates, LLC

Name: Chloë Ashcroft 
 Position: Senior Legal Counsel
 Date: 1/26/17
 (Authorized Signatory)

Schedule 1

Description of Escrow Material

Product name	Affinity Application	Deposit Account No. 67063
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SCHEDULE K.3 (REGISTRATION AGREEMENT)

OF

EXHIBIT K (SOURCE CODE ESCROW TERMS AND CONDITIONS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

Registration Agreement

NOTE: A COPY OF THIS REGISTRATION AGREEMENT MUST BE DULY SIGNED BY AN AUTHORIZED SIGNATORY AND RETURNED TO ESCROW AGENT BEFORE A REGISTERED LICENSEE CAN CLAIM PROTECTION UNDER THE RELEVANT DEPOSIT ACCOUNT.

Agreement between:

(1) QuadraMed Affinity Corporation whose principal office is at 2300 Corporate Park Drive, Suite 400, Herndon, VA 20171 ("Licensor");

(2) NCC Group Escrow Associates, LLC, a corporation organized and existing under the laws of Georgia with its principal office at 8302 Dunwoody Place, Suite 150, Atlanta GA, 30350, USA ("Escrow Agent"); and

(3) The County of Los Angeles ("Licensee"), a political subdivision of the State of California, United States of America;

Agreement:

1. This registration agreement ("Registration Agreement") is supplemental to the terms and conditions of the multi licensee deposit account software escrow agreement number 63253 dated June 22, 2015 ("Escrow Agreement") between Constellation Software, Inc. and Escrow Agent and the Deposit Account Agreement (as defined in the Escrow Agreement) number 67063 dated January 26, 2017 between Licensor and Escrow Agent.
2. This Registration Agreement, the Escrow Agreement and the relevant Deposit Account Agreement(s) together shall form a binding agreement between Licensor, Escrow Agent and Licensee in accordance with the terms of the Escrow Agreement.
3. Licensee hereby agrees to take the benefit of, agrees and undertakes to perform its obligations under and be bound by the terms and conditions of the Escrow Agreement as though they were a party to the Escrow Agreement and the Deposit Account Agreement and named therein as a Licensee.
4. Notwithstanding anything to the contrary in the Escrow Agreement, and with respect to Licensee only: The conditions for the release of the Escrow Material set forth in Section 7.1 of the Escrow Agreement shall not apply. Escrow Agent will release the Escrow Material deposited under the Deposit Account Agreement to Licensee within 5 business days promptly and without delay if any of the following Release Events occur, whereupon Licensee shall have the right to immediately begin using the Escrow Material:
 - i. The insolvency of Licensor; or

- ii. Any termination of the Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services Agreement by and between Licensee and Licensor, Los Angeles County Agreement No. H-707298, (“**License Agreement**”), other than for Licensee’s termination for convenience under Section 8.1 (Termination for Convenience) of the License Agreement; or
- iii. Licensor’s successor ceasing to do business with Licensee with respect to the License Agreement.

Escrow Agent shall not exercise any discretion nor make any determination regarding the validity of a Release Event nor the Licensee’s eligibility to submit a Notice for the release of the Escrow Material. Escrow Agent shall rely solely on notice from the Licensee in a Notice of the occurrence of a Release Event, whereupon it shall immediately release the Escrow Material to Licensee notwithstanding any provision to the contrary in the Escrow Agreement or any fees owed by Licensor, and shall otherwise comply with the process set forth in this Registration Agreement. Licensor hereby agrees to release Escrow Agent from all claims, damages, loss, and all other liability, and promises not to file any claim or lawsuit against NCC, for NCC’s performance of its obligation to release the Escrow Material in accordance with this paragraph. Licensee’s right to have access to, modify, copy, disclose, and otherwise use the Escrow Material in the event of a Release Event are set forth in the License Agreement, notwithstanding anything in the Escrow Agreement to the contrary.

- 5. Licensor and Licensee agree to compensate Escrow Agent for its services pursuant to this agreement according to the schedule following:

	DESCRIPTION	RATE	LICENSOR	LICENSEE
1	Annual Escrow Management Fee	\$	100%	Nil
2	Deposit Account Initial Fee	\$	100%	Nil
3	Licensee Registration Fee (per individual Licensee registered, payable upon registration and upon the escrow account’s anniversary every year thereafter)	\$	100%	Nil
4	Scheduled Update Fee (2 nd and subsequent scheduled deposits in any one year, payable on completion of this Agreement and in advance of each anniversary thereafter)	\$	100%	Nil
5	Licensee Termination Fee	\$	100%	Nil
6	Release Fee (plus Escrow Agent’s reasonable expenses)	\$	100%	Nil

Escrow Agent is responsible for and shall register Licensee as a party to the relevant Deposit Account Agreement. If Escrow Agent has not registered Licensee within fourteen (14) calendar days of the execution of this Registration Agreement, Escrow Agent shall notify Licensee that of its failure to register Licensee as a party to the relevant Deposit Account

Agreement.

Signed for and on behalf of the County of Los Angeles

Name:.....

Position: (Authorized Signatory)

Date:.....

Signed for and on behalf of QuadraMed Affinity Corporation

Name:

Position: (Authorized Signatory)

Date:.....

Signed for and on behalf of NCC GROUP ESCROW ASSOCIATES, LLC

Name:

Position: (Authorized Signatory)

Date:



EXHIBIT L (THIRD PARTY SOFTWARE WITH INDEPENDENT CONDITIONS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

The following terms ("Pass-Through Agreement") apply to the InterSystems Corporation ("ISC") proprietary software ("ISC Licensed Software") to be used in connection with the System, as that term is defined in, and as set forth in, the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services, Agreement No. H-707298 ("Agreement"), by and between QuadraMed Affinity Corporation ("QuadraMed") and the County of Los Angeles ("County").

1. Upon payment of the appropriate fee set forth in the Agreement (the "ISC License Fee"), ISC grants a nontransferable (except as provided in the Agreement) and nonexclusive 30-year license to use the ISC Licensed Software in the conduct of County's business (the "ISC License") in connection with County's use of the System in accordance with the terms of the Agreement. For the avoidance of doubt, the "ISC Licensed Software" shall not include any open source or third party software that may be shipped with, installed with or used in conjunction with ISC's Software, except to the extent such software is embedded in or essential to the proper operation of the ISC Licensed Software. Any Services that ISC is obligated to provide in connection with the Agreement ("ISC Services") shall be provided in accordance with the terms and conditions of this Pass-Through Agreement and the Agreement. The County may only use the ISC Licensed Software and ISC Services in conjunction with the System as that term is defined under the Agreement.

2. ISC hereby warrants to County that (i) the ISC Licensed Software will operate substantially in accordance with ISC's documentation relating thereto for one (1) year following the effective date of the ISC License, and (ii) all ISC Services shall be performed in a manner consistent with industry standards. The foregoing warranty set forth in (i) above shall not apply to the extent the nonconformance with the documentation results from County's use of the ISC Licensed Software not strictly in accordance with ISC's documentation and instructions, including any misuse, damage, or unauthorized alteration or modification to the ISC Licensed Software by County ("Unauthorized Use"). **ISC SHALL NOT BE DEEMED TO HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, TO COUNTY AS TO THE CONDITION, MERCHANTABILITY, TITLE, NON-INFRINGEMENT, DESIGN, OPERATION OR FITNESS FOR A PARTICULAR PURPOSE OF THE ISC LICENSED SOFTWARE OR ISC SERVICES.** As between ISC and County, County's remedy for a breach of the above warranties shall be for ISC to repair, replace or re-perform any non-conforming ISC Licensed Software or ISC Services, as applicable ("Warranty Remedy"). In the event that a third party claims that any ISC Licensed Software infringes upon its intellectual property rights, to the extent such claim is not based on County's Unauthorized Use, ISC shall defend, indemnify, and hold harmless County and its employees, officers, directors, agents, and assigns from such claim, including claims, judgments, payments, costs, expenses (including reasonable attorneys' fees), liabilities and fines arising from or relating to the infringement of the third party's intellectual property rights, and if County's use of the ISC Licensed Software is enjoined or is threatened to be enjoined, ISC shall, in its discretion, either (a) modify the ISC Licensed Software so as to render it non-infringing without materially reducing its functionality, (b) procure a license for County to continue using the ISC Licensed Software at no additional cost to County, or (c) if options (a) or (b) are not commercially reasonable or feasible, terminate the License and refund to County pre-paid fees in accordance with Section 4, with not less than thirty (30) days' prior written notice to County ("Indemnity Remedy"). **AS BETWEEN COUNTY AND ISC, THE LIMITED WARRANTIES HEREIN DO NOT INCLUDE TECHNICAL ASSISTANCE AND ISC SOFTWARE UPDATE SERVICES, WHICH ARE AVAILABLE FOR A SEPARATE FEE, AND ARE NOT A SUBSTITUTE FOR SUCH SERVICES; PROVIDED THAT ISC IS NOT OTHERWISE OBLIGATED TO PROVIDE SUCH SERVICES (E.G., IF COUNTY ALREADY PURCHASED SUCH SERVICES UNDER THE AGREEMENT).** For the avoidance of doubt, nothing the preceding sentence shall limit ISC's obligation to (1) provide the Warranty Remedy if ISC breaches any of its warranties under this Section 2, or (2) provide the Indemnity Remedy if County's use of the ISC Licensed Software is enjoined or threatened to be enjoined due to a third party infringement claim.

3. As between County and ISC, and except with respect to (a) a breach by ISC or County of the others' confidential information, (b) ISC's indemnification obligations set forth in Section 2 above, (c) the willful misconduct of either party, or (d) either party's infringement of the other party's intellectual property rights:

(i) neither party's liability to the other under this Pass-Through Agreement shall in any event exceed the sum of all fees paid by County for the ISC Services and ISC Licensed Software in connection with the Agreement in the twelve (12) months prior to the account of which such liability arose, and

(ii) neither ISC nor County shall be liable to the other for any special, incidental, exemplary, indirect or consequential damages or lost profits.

4. Either party may terminate the ISC License in accordance with the terms of the Agreement. Upon any termination of the ISC License, ISC shall refund to County any pre-paid fees relating to ISC Licensed Software or ISC Services not provided to County prior to termination; QuadraMed shall pay to ISC all fees relating to ISC Licensed Software or ISC Services provided prior to termination; and Sections 2, 3, 4, 5, 7, and 8 hereof shall survive.

5. As between County and ISC, the ISC Licensed Software and related documentation are and shall remain the sole property of ISC. County may make copies of the ISC Licensed Software for backup and archival purposes or otherwise in accordance with the terms of the Agreement. County agrees not to (i) decompile, disassemble, or reverse engineer the ISC Licensed Software, or (ii) disclose to others the ISC Licensed Software or any data or information relating to the ISC Licensed Software (except that

County may provide access to the System in accordance with the terms of the Agreement). In addition, and except as required by applicable law, County agrees not to use or disclose any confidential information provided to County by ISC or its affiliates relating to the ISC Licensed Software, ISC Services or this business relationship, and ISC agrees not to use or disclose any confidential information provided to ISC by County or its affiliates relating to the System or County's business.

6. In accordance with the audit provisions in the Agreement, County agrees to allow ISC or its representatives to audit County's use of the ISC Licensed Software, not more than once per year, during County's normal business hours, at the sole cost of ISC, and in a way that does not disrupt the business operations of County, upon fifteen (15) days' written notice by ISC, including providing access to County's premises.

7. County and ISC agree to comply with all applicable laws, including, but not limited to, U.S. export control or similar laws, with respect to each parties' obligations under this Pass-Through Agreement, including County's use of the ISC Licensed Software and technical data. The English version of this Agreement shall control unless otherwise required by local law.

8. These terms constitute the entire agreement between County and ISC relating to the ISC Licensed Software and ISC Services provided hereunder and supersede any prior understandings between County and ISC, as well as any purchase orders or similar documents that may be submitted to ISC or County. Neither party shall have the right to transfer or assign this Pass-Through Agreement without the other's written consent, which consent shall not be unreasonably withheld, except that County shall have the right to transfer or assign this Pass-Through Agreement to a party that agrees to perform County's obligations under this Pass-Through Agreement. With respect to any transfer or assignment of this Pass-Through Agreement by County in accordance with the preceding sentence, (1) County will provide prior written notice of such transfer or assignment to ISC, and (2) County will not transfer or assign this Pass-Through Agreement to a competitor of ISC without ISC's prior written consent, which consent shall not be unreasonably withheld.



EXHIBIT M (FORM SUBCONTRACTOR AGREEMENT)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT M

FORM SUBCONTRACTOR AGREEMENT

THIS AGREEMENT REGARDING SUBCONTRACTED SERVICES, dated as of [_____] [____], 20[____] (as together with all exhibits, all as amended from time to time in accordance with the terms and conditions hereof, this “**Agreement**”), is entered into between Quadramed Affinity Corporation (“**Prime Contractor**”), and _____, a _____ corporation (“**Subcontractor**”), and is made in reference to the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services, Los Angeles County Agreement No. H-707298, dated as of the Effective Date thereof, for the continued maintenance and support of the Revenue Cycle and Legacy Health Information Systems (together with all exhibits and attachments, all as amended from time to time in accordance with the terms and conditions thereof, the “**Prime Agreement**”), between Prime Contractor and the County of Los Angeles (“**County**”). Capitalized terms used herein (including in this introductory paragraph) without definition shall have the meanings given to such terms in the Prime Agreement.

WHEREAS, County and Prime Contractor have entered into the Prime Agreement pursuant to which Prime Contractor, in its capacity as “Contractor” thereunder, will provide the Services, including Maintenance and Support Services; the System, including System Hardware, System Software, and Licensed Software; and any Optional Work (collectively as used in this Agreement, the “**Work**”) as defined in the Prime Agreement;

WHEREAS, Prime Contractor desires to engage Subcontractor to provide a subset of such Work, the scope of which Work is further described in the attached Exhibit B (Subcontracted Work) (as the same may be amended from time-to-time in accordance with the terms and conditions hereof, “**Subcontracted Work**”); and

WHEREAS, Prime Contractor and Subcontractor desire to set forth below the terms and conditions under which Subcontractor will perform the Work described in the attached Exhibit B (Subcontracted Work) and to make County a third-party beneficiary of this Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Prime Contractor and Subcontractor agree as follows:

1. Incorporation of Terms and Conditions of the Prime Agreement. Prime Contractor and Subcontractor agree that, to the extent of, and with respect to, Subcontractor’s provision of the Subcontracted Work:

(a) With respect solely to those terms and conditions of the Prime Agreement set forth in the attached Exhibit A (Specified Additional Terms and Conditions), such terms and conditions are hereby incorporated by this reference as if set forth herein, Subcontractor agrees to be bound by such terms and conditions directly to County as if Subcontractor were the “Contractor” under the Prime Agreement, and County shall have all of the rights and remedies under the Prime Agreement of “County” under the Prime Agreement, except that (1) the scope of Work to be performed by Subcontractor shall be the Subcontracted Work, (2) the amount of any payments paid or payable to Subcontractor for the performance of such Subcontracted Work shall be solely as determined between Prime Contractor and Subcontractor, and (3) the payment process for the payments to Subcontractor shall be solely as determined between Prime Contractor and Subcontractor.

(b) Except with respect to the exceptions set forth in Paragraph 1 above, in the event of any conflict or inconsistency between the terms and conditions of (A) the Prime Agreement or any exhibit or attachment thereto, and (B) the attached Exhibit B (Subcontracted Work), such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Prime Agreement and any exhibits and attachments thereto, and then to the terms and conditions of the attached Exhibit B (Subcontracted Work).

2. Agreement Regarding Subcontracted Work. Subcontractor agrees to provide the Subcontracted Work to County on behalf of Prime Contractor in accordance with the terms and conditions of this Agreement. Subcontractor agrees and represents and warrants that: (a) Prime Contractor shall be solely liable and responsible to Subcontractor for payment of any and all payments and other compensation due under this Agreement, (b) Subcontractor is qualified to perform the work for which Subcontractor has been hired, and (c) Subcontractor shall be solely liable and responsible for any and all of its taxes, payments and other compensation due, including compensation to its employees and agents, arising out of Subcontractor's performance of the Subcontracted Work.

Exhibit B (Subcontracted Work) shall set forth the following details with regard to the Subcontracted Work: (i) the scope of Subcontracted Work, (ii) the reason(s) for the particular subcontract, (iii) an explanation of why and how the proposed subcontractor was selected, and (iv) the confidentiality provisions applicable to the proposed subcontractor's officers, employees, and agents, which would be incorporated into the subcontract.

The following documents shall be executed by the Subcontractor and attached hereto as Exhibits:

- Exhibit A - Specified Additional Terms and Conditions
- Exhibit B - Subcontracted Scope of Work
- Exhibit C - Certificates of insurance
- Exhibit D - Confidentiality and Assignment Agreement
- Exhibit E – Prime Contractor's Business Associate Agreement with Subcontractor
- Exhibit F - Subcontractor's EEO Certification
- Exhibit G - Safely Surrendered Baby Law
- Exhibit H - Certification of No Conflict of Interest
- Exhibit I - Contractor Employee Jury Service Program – Certification Form and Application for Exception (see Exhibit I.1 Jury Service Ordinance)

3. County as Third-Party Beneficiary. Prime Contractor and Subcontractor agree that this Agreement is entered into for the benefit of County and that County expressly is made a third-party beneficiary of this Agreement. Accordingly, at any time and from time-to-time, County may compel Prime Contractor to enforce against Subcontractor and on County's behalf, any and all rights and remedies Prime Contractor may have with respect to Subcontractor's breach of this Agreement.

4. Representations and Warranties. Each of Prime Contractor and Subcontractor represents and warrants to the other party (and to County as third-party beneficiary under this Agreement) that this Agreement has been duly authorized, executed, and delivered by such party, and that such party has all necessary corporate power and authority to enter into this Agreement and to perform its respective obligations under this Agreement. Each party additionally represents and warrants to the other party (and to County as third party beneficiary under this Agreement) that this

Agreement constitutes a legal, valid, and binding obligation of such party, enforceable against such party in accordance with its terms.

5. Amendments. Notwithstanding anything to the contrary in this Agreement, no amendment, modification, termination or waiver of any provision of this Agreement (including the exhibits attached hereto) shall be effective unless the same shall be in writing, signed by Prime Contractor and Subcontractor, and acknowledged by County. Notwithstanding anything to the contrary in this Agreement, Subcontractor expressly acknowledges and agrees the Prime Agreement may be amended, modified and/or terminated and provisions of the Prime Agreement may be waived without prior notice to or consent of Subcontractor.

6. Assignment. Except as set forth in Section 15.0 (Assignment and Delegation) of the Prime Agreement, neither party may assign its rights and obligations under this Agreement (including the exhibits attached hereto) without prior written consent of the other party and prior written acknowledgement of County.

7. Effect on Prime Agreement. Except as expressly set forth in Paragraph 1(a) hereto, as between Prime Contractor and Subcontractor, nothing contained herein shall be construed as amending or modifying in any fashion any term or condition set forth in the Prime Agreement or any exhibit, schedule, attachment or appendix thereto. Prime Contractor expressly ratifies and affirms its rights and obligations under the Prime Agreement.

8. Counterparts. This Agreement may be executed in any number of original or facsimile counterparts, each of which when taken together shall constitute an original.

9. Governing Law. This Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the state of California applicable to agreements made and to be performed within that state.

IN WITNESS WHEREOF, Prime Contractor and Subcontractor have caused this Agreement to be executed as of the day and year first above written.

Quadramed Affinity Corporation as Prime Contractor

By: _____
Name:
Title:

_____, as Subcontractor

By: _____
Name:
Title:

Exhibit A

Specified Additional Terms and Conditions

Unless otherwise specified, Section references are to Sections of the Prime Agreement. With respect to the terms and conditions of the Prime Agreement referenced below, Subcontractor further agrees, to be bound by such terms and conditions directly to County as if Subcontractor were the “Contractor” under the Prime Agreement, and County shall have all of the rights and remedies under the Prime Agreement of “County” under the Prime Agreement.

- Section 6.8 (Record Retention and Inspection/Audit Settlement)
- Section 6.11 (Travel and Living Expenses)
- Section 7.0 (Representations and Warranties)
- Section 8.0 (Termination)
- Section 10.5 (Background and Security Investigations)
- Section 12.0 (Confidentiality and Security)
- Section 14.0 (Subcontracting)
- Section 15.0 (Assignment and Delegation)
- Section 16.0 (Compliance with Applicable Laws, Rules and Regulations)
- Section 17.0 (Complaints)
- Section 19.2 (Public Records Act)
- Section 20.0 (Contractors Responsibility and Debarment)
- Section 21.0 (Indemnification)
- Section 22.0 (General Provisions For All Insurance Coverage and Performance Security)
- Section 23.0 (Insurance Coverage)
- Section 24.0 (Dispute Resolution Procedure)
- Section 25.1 (Prohibition Against Inducement or Persuasion)
- Section 25.2 (Conflict of Interest)
- Section 25.3 (Force Majeure)
- Section 25.6 (Governing Law, Jurisdiction, and Venue)
- Section 25.7 (Independent Contractor Status)
- Section 25.8 (Validity)
- Section 25.9 (Waiver)
- Section 25.10 (Non Exclusivity)
- Section 25.11 (Facsimile Representations)
- Section 25.12 (Counterparts)
- Section 25.13 (Severability)
- Section 25.15 (No Intent to Create a Third Party Beneficiary Contract)
- Section 25.16 (Contractor Performance During Civil Unrest or Disaster)
- Section 26.1 (Time Off For Voting)
- Section 26.2 (Recycled Bond Paper)
- Section 26.3 (Contractor’s Acknowledgement of County’s Commitment to the Safely Surrendered Baby Law)
- Section 26.6 (Fair Labor Standards)
- Section 26.7 (Compliance with Civil Rights Laws – Anti-Discrimination and Affirmative Action Laws)
- Section 26.8 (Warranty against Contingent Fees)
- Section 26.9 (Contractor’s Warranty of Adherence to County’s Child Support Compliance Program)

- Section 26.11 (Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program)
- Section 26.13 (Compliance with the County's Jury Service Program)
- Section 26.15 (Termination for Non-Adherence of County Lobbyist Ordinance)
- Section 26.16 (Consideration of Hiring County Employees Targeted for Layoff/Re-Employment List)
- Section 26.17 (Consideration of Hiring GAIN/GROW Participants)
- Section 26.21 (Compliance with County's Zero Tolerance Policy on Human Trafficking)
- Exhibit G (Confidentiality Agreement)

Exhibit B

Subcontracted Scope of Work

[Prime Contractor and Subcontractor to complete]

1. **SCOPE OF SUBCONTRACTED WORK**

Scope of the subcontracted work is contained the Statement of Work and includes:

2. **REASON(S) FOR THE PARTICULAR SUBCONTRACT:**

_____ has the skilled resources to accomplish the County's objectives. Prime Contractor and _____ are strategic partners based on meeting client needs and objectives for the County System.

3. **EXPLANATION OF WHY AND HOW THE PROPOSED SUBCONTRACTOR WAS SELECTED:**

The Subcontractor was selected because of their solutions expertise and proven track record to ensure a successful implementation and deployment.

4. **INCORPORATED CONFIDENTIALITY PROVISIONS APPLICABLE TO THE PROPOSED SUBCONTRACTOR'S OFFICERS, EMPLOYEES, AND AGENTS:**

5. **OTHER PERTINENT INFORMATION AND/OR CERTIFICATIONS REQUESTED BY COUNTY:**

Exhibit C

Certificates of Insurance

Exhibit D

Confidentiality and Assignment Agreement

CONTRACTOR: _____

SUBCONTRACTOR: _____

1. **GENERAL INFORMATION**

The organization identified above ("**Contractor**") is under contract ("**Agreement**") to provide Services (as such term is defined in the Prime Agreement) to the County of Los Angeles ("**County**"). County requires each employee, agent, consultant, outsourced vendor and independent contractor (in this Exhibit D "**staff**") of this Contractor performing Subcontracted Work under such Agreement to understand his/her obligations with respect to the personal, proprietary and other confidential material, data or information, with which he/she will be in contact. Subcontractor, by executing this Confidentiality and Assignment Agreement ("**Confidentiality and Assignment Agreement**"), represents that it shall ensure each such staff member's compliance with the obligations regarding such data and information, as set forth in the Agreement, including this Exhibit D (Confidentiality and Assignment Agreement).

2. **SUBCONTRACTOR ACKNOWLEDGMENT**

Subcontractor understands and agrees that all of Subcontractor's staff that will provide Subcontracted Work pursuant to the above-referenced Agreement are Subcontractor's responsibility. Subcontractor understands and agrees that its staff must rely exclusively upon Subcontractor for payment of salary and any and all other benefits payable by virtue of such staff's performance of Subcontracted Work under the above-referenced Agreement.

Subcontractor understands and agrees that its employees are not employees of County for any purpose whatsoever and that such staff do not have and will not acquire any rights or benefits of any kind from County by virtue of performance of Subcontracted Work under the above-referenced Agreement. Subcontractor understands and agrees that its staff do not have and will not acquire any rights or benefits from County pursuant to any agreement between any person or entity and County.

3. **CONFIDENTIALITY**

Subcontractor and their staff, by virtue of performing Subcontracted Work under the above-referenced Agreement, may come in contact with (i) Confidential Information (as such term is defined in the Agreement), (ii) data and information, which County has an obligation to keep confidential by applicable law or otherwise, and (iii) proprietary information belonging to other organizations, contractors or their subcontractors doing business with County (collectively for the purpose of this Exhibit D "**Confidential Information**"). By signing this Confidentiality and Assignment Agreement, Subcontractor agrees that, by virtue of involvement in the Subcontracted Work under the Agreement, it and its staff shall protect the confidentiality of all such Confidential Information pursuant to the terms of Section 12.1 (Confidentiality) of the Agreement and as specified below.

Subcontractor agrees, on behalf of itself and all staff, (i) to protect from loss and hold in confidence any and all Confidential Information; (ii) not to directly or indirectly reveal, report, publish, transfer, reproduce to, or for the benefit of, any unauthorized person or otherwise disclose any Confidential Information obtained while performing Subcontracted Work under the above-referenced Agreement; and (iii) to utilize the Confidential Information solely for the limited purpose of providing Subcontracted Work pursuant to the Agreement. Subcontractor's staff shall forward all requests for disclosure or

copying of any such information in their possession or care to the County's Project Manager under the Agreement.

Subcontractor agrees to report to the County's Project Manager under the Agreement any and all violations of this Confidentiality and Assignment Agreement, including unauthorized disclosures or copying of Confidential Information, whether accidental or intentional, and whether by Subcontractor's, or any lower tier subcontractor's, staff and/or by any other person, of which such staff become aware. Subcontractor agrees and shall ensure that its staff return possession of all Confidential Information to the County's Project Manager under the Agreement upon completion of the above-referenced Agreement, or termination of employment with the Subcontractor, or any lower tier subcontractor, whichever occurs first.

4. ASSIGNMENT OF PROPRIETARY RIGHTS

As used in this Confidentiality and Assignment Agreement, "**Products**" means any inventions, trade secrets, ideas, original works of authorship or Confidential Information conceived, developed, discovered or made in whole or in part during performance of Subcontracted Work relating to the Agreement by any employee, agent, consultant, outsourced vendor or independent contractor of Subcontractor, including Work Product (as such term is defined in the Agreement). Subcontractor hereby assigns, transfers and conveys to County, exclusively and perpetually, all rights, titles, and interests throughout the world it may have or acquire in the Products, including without limitation all intellectual property or other proprietary rights (including without limitation copyrights, patents rights, trade secret right, rights of reproduction, trademark rights, rights of publicity, and the right to secure registrations, renewals, reissues, and extensions thereof) (collectively "**Intellectual Property Right(s)**") therein or otherwise arising from the performance of this Agreement. No rights of any kind in and to the Products, including all Intellectual Property Rights, are reserved to or by the Subcontractor or will revert to Subcontractor.

If and to the extent any Products are determined not to constitute "works made for hire", or if any rights in the Products do not accrue to Subcontractor as a work made for hire, Subcontractor agrees to ensure that all right, title and interest in such Products, including but not limited to all copyrights, patents, trade secret rights and other proprietary rights in or relating to the Products, are irrevocably assigned and transferred to Contractor to the maximum extent permitted by law. Without limiting the foregoing, Subcontractor agrees to ensure that (i) all economic rights to the Products, including the exclusive and unrestricted right to reproduce, manufacture, use, adapt, modify, publish, distribute, sublicense, publicly perform and communicate, translate, lease, import, export, transfer, convey, and otherwise exploit the Products, are assigned and transferred to Subcontractor; (ii) Subcontractor is entitled to any and all modifications, uses, publications and other exploitation of the Products without consequences; and (iii) Subcontractor obtains United States or foreign letters patent, copyright registrations and other proprietary rights covering inventions and original works of authorship in the Products.

Subcontractor agrees to execute all necessary documents and to perform all other acts in order to assign all of Subcontractor's right, title and interest in the Products in accordance with Section 3.3 (Ownership) of the Agreement.

SIGNED _____ DATE ____/____/____

PRINTED _____ TITLE _____

EXHIBIT E
BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996
("HIPAA")

County is a Covered Entity as defined by, and subject to the requirements and prohibitions of, the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("**HIPAA**"), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "**HIPAA Rules**").

Contractor performs or provides functions, activities or services to County that require Contractor in order to provide such functions, activities or services to create, access, receive, maintain, and/or transmit information that includes or that may include Protected Health Information, as defined by the HIPAA Rules. As such, Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates.

The HIPAA Rules require a written agreement ("**Business Associate Agreement**") between County and Contractor in order to mandate certain protections for the privacy and security of Protected Health Information, and these HIPAA Rules prohibit the disclosure to or use of Protected Health Information by Contractor if such an agreement is not in place.

This Business Associate Agreement and its provisions are intended to protect the privacy and provide for the security of Protected Health Information disclosed to or used by Contractor in compliance with the HIPAA Rules.

Therefore, the parties agree as follows:

1. DEFINITIONS

- 1.1 "42 Code of Federal Regulations (CFR) Part II" are the provisions of Federal law which govern the confidentiality of patient alcohol and drug abuse treatment records.
- 1.2 "Breach" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.
- 1.3 "Business Associate" has the same meaning as the term "business associate" at 45 C.F.R. § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to Protected Health Information. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. And in reference to the party to this Business Associate Agreement "Business Associate" shall mean Contractor.
- 1.4 "Covered Entity" has the same meaning as the term "covered entity" at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" shall mean County.
- 1.5 "Data Aggregation" has the same meaning as the term "data aggregation" at 45 C.F.R. § 164.501.

- 1.6 "De-identification" refers to the de-identification standard at 45 C.F.R. § 164.514.
- 1.7 "Designated Record Set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
- 1.8 "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its workforce. (See 45 C.F.R. § 160.103.)
- 1.9 "Electronic Health Record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff. (See 42 U.S. C. § 17921.)
- 1.10 "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103. For the convenience of the parties, electronic media means (1) Electronic storage material on which data is or may be recorded electronically, including, for example, devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the Internet, extranet or intranet, leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media if the information being exchanged did not exist in electronic form immediately before the transmission.
- 1.11 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to Protected Health Information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.12 "Health Care Operations" has the same meaning as the term "health care operations" at 45 C.F.R. § 164.501.
- 1.13 "Individual" has the same meaning as the term "individual" at 45 C.F.R. § 160.103. For the convenience of the parties, Individual means the person who is the subject of Protected Health Information and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502 (g).
- 1.14 "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
- 1.15 "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. § 162.502 (b).
- 1.16 "Protected Health Information" has the same meaning as the term "protected health information" at 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity. For the convenience of the parties, Protected Health Information includes information that (i) relates to the past, present or future physical or

mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, and includes Protected Health Information that is made accessible to Business Associate by Covered Entity. "Protected Health Information" includes Electronic Protected Health Information.

- 1.17 "Required by Law" " has the same meaning as the term "required by law" at 45 C.F.R. § 164.103.
- 1.18 "Secretary" has the same meaning as the term "secretary" at 45 C.F.R. § 160.103
- 1.19 "Security Incident" has the same meaning as the term "security incident" at 45 C.F.R. § 164.304.
- 1.20 "Services" means, unless otherwise specified, those functions, activities, or services in the applicable underlying Agreement, Contract, Master Agreement, Work Order, or Purchase Order or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 1.21 "Subcontractor" has the same meaning as the term "subcontractor" at 45 C.F.R. § 160.103.
- 1.22 "Unsecured Protected Health Information" has the same meaning as the term "unsecured protected health information" at 45 C.F.R. § 164.402.
- 1.23 "Use" or "Uses" means, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (See 45 C.F.R § 164.103.)
- 1.24 Terms used, but not otherwise defined in this Business Associate Agreement, have the same meaning as those terms in the HIPAA Rules.

2. PERMITTED AND REQUIRED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

- 2.1 Business Associate may only Use and/or Disclose Protected Health Information as necessary to perform Services, and/or as necessary to comply with the obligations of this Business Associate Agreement.
- 2.2 Business Associate may Use Protected Health Information for de-identification of the information if de-identification of the information is required to provide Services.
- 2.3 Business Associate may Use or Disclose Protected Health Information as Required by Law.
- 2.4 Business Associate shall make Uses and Disclosures and requests for Protected Health Information consistent with the Covered Entity's applicable Minimum Necessary policies and procedures.
- 2.5 Business Associate may Use Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities.

2.6 Business Associate may Disclose Protected Health Information as necessary for the proper management and administration of its business or to carry out its legal responsibilities, provided the Disclosure is Required by Law or Business Associate obtains reasonable assurances from the person to whom the Protected Health Information is disclosed (i.e., the recipient) that it will be held confidentially and Used or further Disclosed only as Required by Law or for the purposes for which it was disclosed to the recipient and the recipient notifies Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

2.7 Business Associate may provide Data Aggregation services relating to Covered Entity's Health Care Operations if such Data Aggregation services are necessary in order to provide Services.

3. PROHIBITED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

3.1 Business Associate shall not Use or Disclose Protected Health Information other than as permitted or required by this Business Associate Agreement or as Required by Law.

3.2 Business Associate shall not Use or Disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific Uses and Disclosures set forth in Sections 2.5 and 2.6.

3.3 Business Associate shall not Use or Disclose Protected Health Information for de-identification of the information except as set forth in section 2.2

3.4 Business Associate shall comply with 42 C.F.R. Part 2 which restricts the disclosure of information of patient alcohol and drug abuse treatment records.

4. OBLIGATIONS TO SAFEGUARD PROTECTED HEALTH INFORMATION

4.1 Business Associate shall implement, use, and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information other than as provided for by this Business Associate Agreement.

4.2 Business Associate shall comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for by this Business Associate Agreement.

5. REPORTING NON-PERMITTED USES OR DISCLOSURES, SECURITY INCIDENTS, AND BREACHES OF UNSECURED PROTECTED HEALTH INFORMATION

5.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information not permitted by this Business Associate Agreement, any Security Incident, and/ or any Breach of Unsecured Protected Health Information as further described in Sections 5.1.1, 5.1.2, and 5.1.3.

5.1.1 Business Associate shall report to Covered Entity any Use or Disclosure of Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors not provided for by this Agreement of which Business Associate becomes aware.

- 5.1.2 Business Associate shall report to Covered Entity any Security Incident of which Business Associate becomes aware.
- 5.1.3 Business Associate shall report to Covered Entity any Breach by Business Associate, its employees, representatives, agents, workforce members, or Subcontractors of Unsecured Protected Health Information that is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate. Business Associate shall be deemed to have knowledge of a Breach of Unsecured Protected Health Information if the Breach is known, or by exercising reasonable diligence would have been known, to any person, other than the person committing the Breach, who is an employee, officer, or other agent of Business Associate, including a Subcontractor, as determined in accordance with the federal common law of agency.
- 5.2 Except as provided in Section 5.3, for any reporting required by Section 5.1, Business Associate shall provide, to the extent available, all information required by, and within the times frames specified in, Sections 5.2.1 and 5.2.2.
- 5.2.1 Business Associate shall promptly and no later than 24 hours, make a telephonic report upon discovery of the non-permitted Use or Disclosure of Protected Health Information, Security Incident or Breach of Unsecured Protected Health Information to **(562) 940-3335** that minimally includes:
- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;
 - (b) The number of Individuals whose Protected Health Information is involved;
 - (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
 - (d) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.
- 5.2.2 Business Associate shall make a written report without unreasonable delay and in no event later than three (3) business days from the date of discovery by Business Associate of the non-permitted Use or Disclosure of Protected Health Information, Security Incident, or Breach of Unsecured Protected Health Information and to the **Chief HIPAA Privacy Officer at: Chief HIPAA Privacy Officer, Kenneth Hahn Hall of Administration, 500 West Temple Street, Suite 525, Los Angeles, California 90012, HIPAA@auditor.lacounty.gov**, that includes, to the extent possible:
- (a) A brief description of what happened, including the date of the non-permitted Use or Disclosure, Security Incident, or Breach and the date of Discovery of the non-permitted Use or Disclosure, Security Incident, or Breach, if known;

- (b) The number of Individuals whose Protected Health Information is involved;
- (c) A description of the specific type of Protected Health Information involved in the non-permitted Use or Disclosure, Security Incident, or Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code or other types of information were involved);
- (d) The identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, Used, or Disclosed;
- (e) Any other information necessary to conduct an assessment of whether notification to the Individual(s) under 45 C.F.R. § 164.404 is required;
- (f) Any steps Business Associate believes that the Individual(s) could take to protect him or herself from potential harm from the non-permitted Use or Disclosure, Security Incident, or Breach;
- (g) A brief description of what Business Associate is doing to investigate, to mitigate harm to the Individual(s), and to protect against any further similar occurrences; and
- (h) The name and contact information for a person highly knowledgeable of the facts and circumstances of the non-permitted Use or Disclosure of PHI, Security Incident, or Breach.

5.2.3 If Business Associate is not able to provide the information specified in Section 5.2.1 or 5.2.2 at the time of the required report, Business Associate shall provide such information promptly thereafter as such information becomes available.

5.3 Business Associate may delay the notification required by Section 5.1.3, if a law enforcement official states to Business Associate that notification would impede a criminal investigation or cause damage to national security.

5.3.1 If the law enforcement official's statement is in writing and specifies the time for which a delay is required, Business Associate shall delay its reporting and/or notification obligation(s) for the time period specified by the official.

5.3.2 If the statement is made orally, Business Associate shall document the statement, including the identity of the official making the statement, and delay its reporting and/or notification obligation(s) temporarily and no longer than 30 days from the date of the oral statement, unless a written statement as described in Section 5.3.1 is submitted during that time.

6. WRITTEN ASSURANCES OF SUBCONTRACTORS

6.1 In accordance with 45 C.F.R. § 164.502 (e)(1)(ii) and § 164.308 (b)(2), if applicable, Business Associate shall ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate is made aware of its status as a

Business Associate with respect to such information and that Subcontractor agrees in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.

- 6.2 Business Associate shall take reasonable steps to cure any material breach or violation by Subcontractor of the agreement required by Section 6.1.
- 6.3 If the steps required by Section 6.2 do not cure the breach or end the violation, Contractor shall terminate, if feasible, any arrangement with Subcontractor by which Subcontractor creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate.
- 6.4 If neither cure nor termination as set forth in Sections 6.2 and 6.3 is feasible, Business Associate shall immediately notify County.
- 6.5 Without limiting the requirements of Section 6.1, the agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall require Subcontractor to contemporaneously notify Covered Entity in the event of a Breach of Unsecured Protected Health Information.
- 6.6 Without limiting the requirements of Section 6.1, agreement required by Section 6.1 (Subcontractor Business Associate Agreement) shall include a provision requiring Subcontractor to destroy, or in the alternative to return to Business Associate, any Protected Health Information created, received, maintained, or transmitted by Subcontractor on behalf of Business Associate so as to enable Business Associate to comply with the provisions of Section 18.4.
- 6.7 Business Associate shall provide to Covered Entity, at Covered Entity's request, a copy of any and all Subcontractor Business Associate Agreements required by Section 6.1.
- 6.8 Sections 6.1 and 6.7 are not intended by the parties to limit in any way the scope of Business Associate's obligations related to Subcontracts or Subcontracting in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

7. ACCESS TO PROTECTED HEALTH INFORMATION

- 7.1 To the extent Covered Entity determines that Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within two (2) business days after receipt of a request from Covered Entity, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and shall provide such Individual(s) or other person(s) designated by Covered Entity with a copy the specified Protected Health Information, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.524.
- 7.2 If any Individual requests access to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within two (2) days of the receipt of the request. Whether access shall be provided or denied shall be determined by Covered Entity.

7.3 To the extent that Business Associate maintains Protected Health Information that is subject to access as set forth above in one or more Designated Record Sets electronically and if the Individual requests an electronic copy of such information, Business Associate shall provide the Individual with access to the Protected Health Information in the electronic form and format requested by the Individual, if it is readily producible in such form and format; or, if not, in a readable electronic form and format as agreed to by Covered Entity and the Individual.

8. AMENDMENT OF PROTECTED HEALTH INFORMATION

8.1 To the extent Covered Entity determines that any Protected Health Information is maintained by Business Associate or its agents or Subcontractors in a Designated Record Set, Business Associate shall, within ten (10) business days after receipt of a written request from Covered Entity, make any amendments to such Protected Health Information that are requested by Covered Entity, in order for Covered Entity to meet the requirements of 45 C.F.R. § 164.526.

8.2 If any Individual requests an amendment to Protected Health Information directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request. Whether an amendment shall be granted or denied shall be determined by Covered Entity.

9. ACCOUNTING OF DISCLOSURES OF PROTECTED HEALTH INFORMATION

9.1 Business Associate shall maintain an accounting of each Disclosure of Protected Health Information made by Business Associate or its employees, agents, representatives or Subcontractors, as is determined by Covered Entity to be necessary in order to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

9.1.1 Any accounting of disclosures provided by Business Associate under Section 9.1 shall include:

- (a) The date of the Disclosure;
- (b) The name, and address if known, of the entity or person who received the Protected Health Information;
- (c) A brief description of the Protected Health Information Disclosed; and
- (d) A brief statement of the purpose of the Disclosure.

9.1.2 For each Disclosure that could require an accounting under Section 9.1, Business Associate shall document the information specified in Section 9.1.1, and shall maintain the information for six (6) years from the date of the Disclosure.

9.2 Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of a written request from Covered Entity, information collected in accordance with Section 9.1.1 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528

9.3 If any Individual requests an accounting of disclosures directly from Business Associate or its agents or Subcontractors, Business Associate shall notify Covered Entity in writing within five (5) days of the receipt of the request, and shall provide the requested accounting of disclosures to the Individual(s) within 30 days. The information provided in the accounting shall be in accordance with 45 C.F.R. § 164.528.

10. COMPLIANCE WITH APPLICABLE HIPAA RULES

10.1 To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity's performance of such obligation(s).

10.2 Business Associate shall comply with all HIPAA Rules applicable to Business Associate in the performance of Services.

11. AVAILABILITY OF RECORDS

11.1 Business Associate shall make its internal practices, books, and records relating to the Use and Disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations.

11.2 Unless prohibited by the Secretary, Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.

12. MITIGATION OF HARMFUL EFFECTS

12.1 Business Associate shall mitigate, to the extent practicable, any harmful effect of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Business Associate Agreement that is known to Business Associate.

13. BREACH NOTIFICATION TO INDIVIDUALS

13.1 Business Associate shall, to the extent Covered Entity determines that there has been a Breach of Unsecured Protected Health Information by Business Associate, its employees, representatives, agents or Subcontractors, provide breach notification to the Individual in a manner that permits Covered Entity to comply with its obligations under 45 C.F.R. § 164.404.

13.1.1 Business Associate shall notify, subject to the review and approval of Covered Entity, each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.

13.1.2 The notification provided by Business Associate shall be written in plain language, shall be subject to review and approval by Covered Entity, and shall include, to the extent possible:

- (a) A brief description of what happened, including the date of the Breach and the date of the Discovery of the Breach, if known;
- (b) A description of the types of Unsecured Protected Health Information that were involved in the Breach (such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved);
- (c) Any steps the Individual should take to protect him or herself from potential harm resulting from the Breach;
- (d) A brief description of what Business Associate is doing to investigate the Breach, to mitigate harm to Individual(s), and to protect against any further Breaches; and
- (e) Contact procedures for Individual(s) to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, Web site, or postal address.

13.2 Covered Entity, in its sole discretion, may elect to provide the notification required by Section 13.1 and/or to establish the contact procedures described in Section 13.1.2.

13.3 Business Associate shall reimburse Covered Entity any and all costs incurred by Covered Entity, in complying with Subpart D of 45 C.F.R. Part 164, including but not limited to costs of notification, internet posting, or media publication, as a result of Business Associate's Breach of Unsecured Protected Health Information; Covered Entity shall not be responsible for any costs incurred by Business Associate in providing the notification required by 13.1 or in establishing the contact procedures required by Section 13.1.2.

14. INDEMNIFICATION

14.1 Business Associate shall indemnify, defend, and hold harmless Covered Entity, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, expenses (including attorney and expert witness fees), and penalties and/or fines (including regulatory penalties and/or fines), arising from or connected with Business Associate's acts and/or omissions arising from and/or relating to this Business Associate Agreement, including, but not limited to, compliance and/or enforcement actions and/or activities, whether formal or informal, by the Secretary or by the Attorney General of the State of California.

14.2 Section 14.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Insurance and/or Indemnification in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

15. OBLIGATIONS OF COVERED ENTITY

15.1 Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the Use or Disclosure of Protected Health Information that would affect Business Associate's

performance of the Services, and Business Associate shall thereafter restrict or limit its own Uses and Disclosures accordingly.

- 15.2 Covered Entity shall not request Business Associate to Use or Disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except to the extent that Business Associate may Use or Disclose Protected Health Information as provided in Sections 2.3, 2.5, and 2.6.

16. TERM

- 16.1 Unless sooner terminated as set forth in Section 17, the term of this Business Associate Agreement shall be the same as the term of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other service arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 16.2 Notwithstanding Section 16.1, Business Associate's obligations under Sections 11, 14, and 18 shall survive the termination or expiration of this Business Associate Agreement.

17. TERMINATION FOR CAUSE

- 17.1 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.
- 17.2 In addition to and notwithstanding the termination provisions set forth in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and cure is not feasible, the non-breaching party may terminate this Business Associate Agreement immediately.

18. DISPOSITION OF PROTECTED HEALTH INFORMATION UPON TERMINATION OR EXPIRATION

- 18.1 Except as provided in Section 18.3, upon termination for any reason or expiration of this Business Associate Agreement, Business Associate shall return or, if agreed to by Covered entity, shall destroy as provided for in Section 18.2, all Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, that Business Associate, including any Subcontractor, still maintains in any form. Business Associate shall retain no copies of the Protected Health Information.
- 18.2 Destruction for purposes of Section 18.2 and Section 6.6 shall mean that media on which the Protected Health Information is stored or recorded has been destroyed and/or electronic media have been cleared, purged, or destroyed in accordance with the use of a technology or

methodology specified by the Secretary in guidance for rendering Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals.

18.3 Notwithstanding Section 18.1, in the event that return or destruction of Protected Health Information is not feasible or Business Associate determines that any such Protected Health Information is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities, Business Associate may retain that Protected Health Information for which destruction or return is infeasible or that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities and shall return or destroy all other Protected Health Information.

18.3.1 Business Associate shall extend the protections of this Business Associate Agreement to such Protected Health Information, including continuing to use appropriate safeguards and continuing to comply with Subpart C of 45 C.F.R Part 164 with respect to Electronic Protected Health Information, to prevent the Use or Disclosure of such information other than as provided for in Sections 2.5 and 2.6 for so long as such Protected Health Information is retained, and Business Associate shall not Use or Disclose such Protected Health Information other than for the purposes for which such Protected Health Information was retained.

18.3.2 Business Associate shall return or, if agreed to by Covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for Business Associate's proper management and administration or to carry out its legal responsibilities.

18.4 Business Associate shall ensure that all Protected Health Information created, maintained, or received by Subcontractors is returned or, if agreed to by Covered entity, destroyed as provided for in Section 18.2.

19. AUDIT, INSPECTION, AND EXAMINATION

19.1 Covered Entity reserves the right to conduct a reasonable inspection of the facilities, systems, information systems, books, records, agreements, and policies and procedures relating to the Use or Disclosure of Protected Health Information for the purpose determining whether Business Associate is in compliance with the terms of this Business Associate Agreement and any non-compliance may be a basis for termination of this Business Associate Agreement and the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, as provided for in Section 17.

19.2 Covered Entity and Business Associate shall mutually agree in advance upon the scope, timing, and location of any such inspection.

19.3 At Business Associate's request, and to the extent permitted by law, Covered Entity shall execute a nondisclosure agreement, upon terms and conditions mutually agreed to by the parties.

- 19.4 That Covered Entity inspects, fails to inspect, or has the right to inspect as provided for in Section 19.1 does not relieve Business Associate of its responsibility to comply with this Business Associate Agreement and/or the HIPAA Rules or impose on Covered Entity any responsibility for Business Associate's compliance with any applicable HIPAA Rules.
- 19.5 Covered Entity's failure to detect, its detection but failure to notify Business Associate, or its detection but failure to require remediation by Business Associate of an unsatisfactory practice by Business Associate, shall not constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under this Business Associate Agreement or the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 19.6 Section 19.1 is not intended by the parties to limit in any way the scope of Business Associate's obligations related to Inspection and/or Audit and/or similar review in the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.

20. MISCELLANEOUS PROVISIONS

- 20.1 Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with the terms and conditions of this Business Associate Agreement will be adequate or satisfactory to meet the business needs or legal obligations of Business Associate.
- 20.2 HIPAA Requirements. The Parties agree that the provisions under HIPAA Rules that are required by law to be incorporated into this Amendment are hereby incorporated into this Agreement.
- 20.3 No Third Party Beneficiaries. Nothing in this Business Associate Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- 20.4 Construction. In the event that a provision of this Business Associate Agreement is contrary to a provision of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order, or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate, the provision of this Business Associate Agreement shall control. Otherwise, this Business Associate Agreement shall be construed under, and in accordance with, the terms of the applicable underlying Agreement, Contract, Master Agreement, Work Order, Purchase Order or other services arrangement, with or without payment, that gives rise to Contractor's status as a Business Associate.
- 20.5 Regulatory References. A reference in this Business Associate Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- 20.6 Interpretation. Any ambiguity in this Business Associate Agreement shall be resolved in favor of a meaning that permits the parties to comply with the HIPAA Rules.
- 20.7 Amendment. The parties agree to take such action as is necessary to amend this Business Associate Agreement from time to time as is necessary for Covered Entity or Business Associate

to comply with the requirements of the HIPAA Rules and any other privacy laws governing Protected Health Information.

Exhibit F

Subcontractor's EEO Certification

Subcontractor Name

Address

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the subcontractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

SUBCONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | | |
|----|--|------------------------------|-----------------------------|
| 1. | The Subcontractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. | The Subcontractor periodically conducts a self analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. | The Subcontractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. | Where problem areas are identified in employment practices, the Subcontractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Authorized Official's Printed Name and Title

Authorized Official's Signature

Date

Exhibit G

Safely Surrendered Baby Law

Exhibit H

Certification of No Conflict of Interest

(Note: This certification is to be executed and returned to County with Subcontractor's executed Subcontract. Work cannot begin until County receives this executed document.)

SUBCONTRACTOR NAME

County Agreement No. H-707298

Los Angeles County Code Section 2.180.010.A provides as follows:

Certain contracts prohibited.

- A. Notwithstanding any other section of this code, the county shall not contract with, and shall reject any bid or proposal submitted by, the persons or entities specified below, unless the board of supervisors finds that special circumstances exist which justify the approval of such contract:
1. Employees of the county or of public agencies for which the board of supervisors is the governing body;
 2. Profit-making firms or businesses in which employees described in subdivision 1 of subsection A serve as officers, principals, partners, or major shareholders;
 3. Persons who, within the immediately preceding 12 months, came within the provisions of subdivision 1 of subsection A, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
 4. Profit-making firms or businesses in which the former employees, described in subdivision 3 of subsection A, serve as officers, principals, partners, or major shareholders.”

Subcontractor hereby declares and certifies that no Subcontractor Personnel, nor any other person acting on Subcontractor's behalf, have violated any of the provisions of this section.

I declare under penalty of perjury that the foregoing is true and correct.

Signature of Authorized Official

Printed Name of Authorized Official

Title of Authorized Official

Date

Exhibit I

Contractor Employee Jury Service Program - Certification Form and Application for Exception

The County's solicitation for this Request for Proposals is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program), Los Angeles County Code, Chapter 2.203, a copy of which is attached as Exhibit I.1 (Jury Service Ordinance). All proposers, whether a contractor or subcontractor, must complete this form to either certify compliance or request an exception from the Program requirements. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the proposer is excepted from the Program.

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:		
Solicitation For	Services:	

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program is Not Applicable to My Business

My business does not meet the definition of "contractor," as defined in the Program, as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.

My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exception will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II: Certification of Compliance

My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, **or** my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date: - -

Exhibit I.1

Jury Service Ordinance

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies,

equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the

implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 1. Has ten or fewer employees during the contract period; and,
 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)



EXHIBIT N (QUADRAMED LEGACY SYSTEMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT N

QUADRAMED LEGACY SYSTEMS

This Exhibit N (QuadraMed Legacy Systems) is an attachment and part of the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services (the “**Agreement**”), dated as of the Effective Date and entered by County and Contractor. Unless specifically defined in this Exhibit N (QuadraMed Legacy Systems), capitalized terms used herein shall have the meanings set forth in the Agreement.

The Legacy Software includes all software purchased or licensed under the Prior Agreements, (1) Agreement No. 72190 for Turnkey Healthcare Information Systems at Harbor-UCLA Medical Center, Olive View-UCLA Medical Center and LAC+USC Medical Center, and (2) Agreement No. 56649 for Turnkey Hospital Information Systems at High Desert Multi-Service Ambulatory Care Center, Ranch Los Amigos National Rehabilitation Center and Martin Luther King Multi-Service Ambulatory Care Center, and includes:

Legacy Software

- 1) Admitting/Discharge/Transfer/ Registration/Medical Records Index (ADTR/MRI)
- 2) Patient Accounting (PA)
- 3) Patient Scheduling System (PSS)
- 4) Medical Records
 - a. Medical Records Abstracting (MRA)
 - b. Medical Records Control (MRC)
 - c. DRG/Case Mix (DRG)
- 5) Utilization Management (UM)
- 6) Quality Management (QM)
- 7) Order Entry/Results Reporting (OE/RR)
- 8) Department Management (DM)
- 9) Clinical Documentation
 - a. Vital Signs and Intake/Output (VS & I/O)
 - b. Activity Charting (AC)
 - c. Charting and Assessment (CHASS)
- 10) Plan of Care (POC) (HDHS and KDMC)
- 11) Acuity and Staffing Requirements (ASR)
- 12) Medication Charting (MC)
- 13) Chart View (CV) (unlimited users)
- 14) Health Notes (HN)
- 15) Clinician Access (CA) (150 concurrent users)
- 16) Master Patient Index Suite (MPI Suite)
 - a. Precise ID
 - b. MPISpy
 - c. SmartMerge
 - d. SmartID (downtime)
- 17) Quantim Report Writer
- 18) Quantim Chart Completion
- 19) Quantim Chart Locator

- 20) Quantim Correspondence Management/ROI (Release of Information)
- 21) Quantim eSignature
- 22) Quantim Electronic Document Management (EDM)
- 23) Revenue Management
- 24) Quantim EDM HIM (Health Information Management)
- 25) Quantim Facility Coding
- 26) Quantim Abstracting
- 27) Quantim Inpatient Compliance
- 28) Quantim Outpatient Compliance
- 29) GUI/Client Server (GUI) (unlimited users)
- 30) Affinity Event Manager
- 31) Affinity HL7 Library for STC DataGate
- 32) Affinity Report Writer
- 33) Affinity System Management
- 34) X12 835 Health Care Claim Payment/Advice (EDI-835)
- 35) X12 270/271 Eligibility and Benefits (EDI-270/271)
- 36) Report Server
- 37) Critical Care Vital Sign Capture
- 38) Coder Desk Reference (20 users) RLANRC and KDMC
- 39) Cost and Profit Analyzer



EXHIBIT O (PARENT GUARANTEE)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

PARENT GUARANTEE

QuadraMed Affinity Corporation, a Delaware corporation with its principal place of business at 2300 Corporate Park Drive, Suite 400, Herndon, VA 20171 ("**QuadraMed**") and the County of Los Angeles, a political subdivision of the State of California ("**County**"), are entering into an Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services, Los Angeles County Agreement No. H-707298 ("**Underlying Agreement**").

QuadraMed is a wholly-owned subsidiary of N. Harris Computer Corporation, a corporation incorporated under the laws of Ontario, Canada, with offices at 1 Antares Drive, Suite 400, Ottawa, Ontario K2E 8C4 ("**Harris**"), which itself is a wholly-owned subsidiary of Constellation Software Inc., a public corporation incorporated under the Ontario Business Corporations Act with registered number 1517581 and having its registered office at 20 Adelaide Street East, Suite 1200, Toronto, Ontario, Canada M5C 2T6 ("**QuadraMed Parent**"). Under this agreement ("**Guarantee**"), QuadraMed Parent agrees to a guarantee of performance of QuadraMed's obligations under the Underlying Agreement in accordance with the terms and conditions set forth in this Guarantee.

GUARANTEE

In consideration of the mutual covenants and agreements contained herein, QuadraMed Parent and County agree as follows:

1. GUARANTEE OF OBLIGATIONS

QuadraMed Parent hereby unconditionally and irrevocably guarantees to County the performance by QuadraMed of all covenants, obligations, and liabilities of QuadraMed arising under the terms and conditions of the Underlying Agreement ("**Obligations**"), which are incorporated herein by reference as if fully set forth herein. This Guarantee shall include all Obligations of QuadraMed under the Underlying Agreement.

If QuadraMed is in default of its performance of the Obligations and fails to cure such default within the period allowed for cure under the Underlying Agreement, upon written notice from County of any such default of QuadraMed for which County seeks QuadraMed Parent's performance in accordance with the Underlying Agreement, QuadraMed Parent shall cure or cause to be cured such default within thirty (30) days after receipt by QuadraMed Parent of written notice thereof specifying the nature of such default, or, in the event the default cannot be cured within such period, QuadraMed Parent shall initiate remedial measures within such period and cause them to be diligently prosecuted.

This Guarantee is valid and will remain in full force until, and shall terminate upon, the earlier of (i) the expiration or termination of all Obligations, including Obligations which expire or terminate later than the expiration or termination of the Underlying Agreement; or (ii) the date on which all Obligations are paid or performed in full.

2. REPRESENTATIONS AND WARRANTIES

QuadraMed Parent represents and warrants to County that:

- (a) it has been duly incorporated as a public corporation under the Ontario Business Corporations Act with registered number 1517581 and is validly existing and has all necessary corporate power and authority to enter into and deliver this Guarantee and to perform its obligations hereunder;
- (b) all necessary corporate action has been taken by it to authorize the execution, delivery and performance of this Guarantee and to observe and perform its obligations under this Guarantee; and
- (c) this Guarantee constitutes a legal, valid and binding obligation of QuadraMed Parent, subject to (i) applicable bankruptcy, receivership, reorganization, insolvency, moratorium, fraudulent conveyance or transfer, and other laws and judicially developed doctrines relating to or affecting creditors' rights and remedies generally and (ii) the application of general principles of equity.

3. RELEASE

QuadraMed Parent agrees that it will not be released from this Guarantee by any act, omission, matter, or for any other reason whereby, in absence of this provision, QuadraMed Parent would or might be released, including, whether or not known to QuadraMed Parent:

- (a) any alteration in the obligations undertaken by QuadraMed pursuant to the terms of the Underlying Agreement;
- (b) any legal limitation, disability, incapacity, or other circumstances relating to QuadraMed or any other person; or
- (c) the dissolution, amalgamation, reconstruction, reorganization, change in status, function, control or ownership, insolvency, liquidation, or the appointment of an administrator or receiver of QuadraMed or any other person,

provided that nothing in this Section 3 (Release) will create any greater obligation of QuadraMed Parent than the Obligation which QuadraMed has failed to complete.

4. GENERAL

- (a) If at any time any provision hereof is or becomes illegal, invalid or unenforceable, neither the legality, validity or enforceability of the remaining provisions hereof will in any way be affected or impaired thereby.
- (b) This Guarantee may be entered into in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee.
- (c) The validity, construction and enforcement of this Guarantee will be determined in accordance with the laws of California, without reference to its conflicts of laws principles,

and any action arising under it will be brought exclusively in California. QuadraMed Parent consents to the personal jurisdiction of the state and federal courts located in California.

- (d) This Guarantee shall be binding upon QuadraMed Parent, its successors and assigns, and shall inure to the benefit of County and its respective successor and assigns.

[Signatures provided on the following page]

IN WITNESS WHEREOF, County and QuadraMed Parent have caused this Guarantee to be executed on their behalf by their duly authorized officers.

**CONSTELLATION SOFTWARE INC.
("QuadraMed Parent")**



By: Mark Dennison

Title: General Counsel

Date: October 26 2017

COUNTY OF LOS ANGELES ("County")

By: _____
DULY AUTHORIZED SIGNATORY

APPROVED AS TO FORM:

MARY C. WICKHAM
COUNTY COUNSEL

By: _____

DEPUTY

HIPAA COMPLIANT 270/271 ELIGIBILITY RESPONSE SOFTWARE AGREEMENT

Amendment No. 6

This Amendment is made and entered into this ___ day of _____, 2017 ("Amendment Effective Date"),

By and between COUNTY OF LOS ANGELES
(hereafter "County"),

And PROVIDER ADVANTAGE, NW INC.
(hereafter "Contractor")

Business Address:
1 SW Columbia Street, Suite 550
Portland, OR 97258-2015

WHEREAS, reference is made to that certain document entitled "HIPAA Compliant 270/271 Eligibility Response Software Agreement", dated March 21, 2006, and further identified as Agreement No. H-701910, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, on November 14, 2017, the Board of Supervisors delegated authority to the Director, or his designee, to further extend the agreement term to December 31, 2022, with up to two (2) additional one-year automatic renewal periods through December 31, 2024; and

WHEREAS, it is the intent of the parties to amend the Agreement to extend its term, revise the Statement of Work and to provide for the other changes set forth herein; and

WHEREAS, the Agreement provides that changes in accordance to Paragraph 7, Change Notices and Amendments, may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of the Agreement, as amended herein, and consistent with the professional standard of care for these services.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon the Amendment Effective Date.

2. Agreement, Paragraph 5, TERM, is deleted in its entirety and replaced as follows:

“5. TERM

5.1 The term of this Agreement shall commence on March 21, 2006, and continue in full force and effect through December 31, 2022, with up to two (2) additional one-year automatic renewal periods unless sooner terminated or extended, in whole or in part, as provided in this Agreement.

5.2 The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise an Agreement term extension option.

5.3 The Contractor shall notify DHS when this Agreement is within six (6) months from the expiration date. Upon occurrence of this event, the Contractor shall send written notification to DHS at the address herein provided in Exhibit C– County’s Administration.”

3. Agreement, Sub-paragraph 8.2, MAXIMUM CONTRACT SUM, is amended to delete Sub-paragraph 8.2.1 in its entirety and replace it with the following:

"8.2.1 The revised Contract Sum for all services for the period March 21, 2006 to December 31, 2022, and the two optional one-year extension periods, including all applicable taxes, authorized by County hereunder shall not exceed \$12,819,731 for the entire term of the Agreement, which includes \$18,747 in Pool Dollars and the two optional one-year periods, in accordance with Schedule B-4, Schedule of Payments. This maximum obligation shall be the total monetary amount payable by County to Contractor for supplying all the tasks, subtasks, deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work."

4. Agreement, Paragraph 9, INVOICES AND PAYMENTS, is amended to add Sub-paragraph 9.3, Cost of Living Adjustment:

"9.3 Cost of Living Adjustment. Commencing on January 1, 2019, and annually thereafter through December 31, 2022, the System Maintenance fees shall be

subject to an annual cost of living adjustment. The maximum amount of the cost of living adjustment shall be capped at the lesser of: (a) the most recent published percentage change in the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County Area for the twelve (12) month period preceding January 1, 2019, and each anniversary date thereafter through December 31, 2022, or (b) three percent (3%). The parties shall execute a change notice to reflect each of the foregoing cost of living adjustments."

5. Agreement, Paragraph 15, INDEMNIFICATION, INSURANCE, AND COVERAGE, Subparagraph 15.1, INDEMNIFICATION, shall be deleted in its entirety and replaced as follows:

"15.1 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees and agents ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees."

6. Agreement, Paragraph 15, INDEMNIFICATION, INSURANCE, AND COVERAGE, Subparagraph 15.2, GENERAL INSURANCE REQUIREMENTS, shall be deleted in its entirety and replaced as follows:

"15.2 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until the termination of this Agreement, unless otherwise provided herein, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sub-paragraphs 15.2 and 15.3 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other Contractual obligation imposed upon Contractor pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Agreement.

15.2.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) and a copy of an Additional Insured endorsement confirming

County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.

- Renewal Certificates shall be provided to County not less than 10 days prior to Contractor's policy expiration dates.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

- (1) County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 N. Figueroa Street, 6E
Los Angeles, CA 90012
Attention: Kathy K. Hanks, C.P.M.
Director, Contracts and Grants
- (2) County of Los Angeles
Department of Health Services
Fiscal Programs
313 N. Figueroa Street, Room 332
Los Angeles, CA 90012
Attention: Karen Wilkinson-Jurisc
Fiscal Officer

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property and relating to the services performed pursuant to this Agreement, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

15.2.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents and Employees (collectively "County and its Agents") shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

15.2.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

15.2.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall

constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance deduct the reasonable premium cost from sums due to Contractor or pursue Contractor reimbursement.

15.2.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

15.2.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

15.2.8 Sub-Contractor Insurance Coverage Requirements

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein. Contractor shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

15.2.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the County to pay any portion of any Contractor deductible or SIR.

15.2.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

15.2.13 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

15.2.14 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures. Prior to any adjustment in the Required Insurance provisions, County and Contractor will engage in good faith efforts to negotiate a mutually acceptable adjustment to the Required Insurance. Notwithstanding the foregoing, any adjustment to the Required Insurance shall not be greater than two (2) times current Required Insurance.

15.2.15 Compensation for County Costs

In the event that Contractor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to County, Contractor shall pay full compensation for all reasonable costs incurred by County."

7. Agreement, Paragraph 15, INDEMNIFICATION, INSURANCE, AND COVERAGE, Subparagraph 15.3, INSURANCE COVERAGE REQUIREMENTS, shall be deleted in its entirety and replaced as follows:

"15.3 INSURANCE COVERAGE

15.3.1 Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

15.3.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

15.3.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

15.3.4 **Professional/Cyber Liability** insurance covering Contractor's liability arising from or related to this Agreement, with limits of not less than \$1 million per claim and \$3 million in the aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than two (2) years following this Agreement's expiration, termination or cancellation.

15.3.5 **Limitation of Liability.** Notwithstanding any other provision in this Amendment No. 6, the Agreement, any attachments thereto or any other Agreement between the parties, the following limitation of liability shall apply:

15.3.5.1 Neither party shall be liable for personal injury or property damage arising out of or related to this Agreement, any attachments thereto or any other Agreement between the parties. In no event shall either party have obligations or liabilities for damages other than ordinary monetary damages and the total ordinary monetary damages, arising

out of or related to this Agreement, any attachments thereto, any other Agreement between the parties, or any software or services provided by Contractor, shall not exceed \$3,000,000. In no event shall Contractor's suppliers or licensors be liable for any direct damages of any kind. Neither party, nor Contractor's suppliers or licensors, shall be liable under any contract, negligence, strict liability, or other legal or equitable theory for any indirect, exemplary, special, incidental, or consequential damages, including but not limited to loss of profits or other economic loss of the other party or any third party, even if informed of the possibility of such damages. The limitation of liability and types of damages stated herein are intended by the parties to apply regardless of whether any limited remedy provided for in this Agreement fails of its essential purpose.

15.3.5.2 In no event shall Contractor or its suppliers or licensors be liable for any damages, consequential or otherwise, arising out of or related to any loss of County Data, whether caused by transmission of County Data or use of the services, the software incorporated therein, or otherwise.

15.3.5.3 Neither Contractor nor its suppliers or licensors shall be liable for the accuracy or completeness of the County's Data and/or for the characterization of any treatment or billing procedure or code contained in County's Data, whether such County's Data has been processed by the services or software or otherwise. County accepts all responsibility for development and execution of administrative procedures and other prudent business practices necessary to control and maintain the integrity of County's Data.

15.3.5.4 The limitations of liability and exclusions of certain damages set forth in this Sub-Paragraph 15.3 shall not apply to claims arising pursuant to Sub-Paragraph 66 (Patent, Copyright and Trade Secret Indemnification) or any claims by

Contractor or its suppliers and licensors against the County related to actual or alleged infringement of any patent or copyright, or any actual or alleged trade secret disclosure or misappropriation.

8. Agreement, Sub-paragraph 30.2 TERMINATION FOR CONVENIENCE, shall be amended to add the following:

"D. Promptly return to County any and all of the County Confidential Information that relates to the portion of the Agreement or Services terminated by County, including all County Data, in a media reasonably requested by County."

9. Agreement, Paragraph 35, CONFIDENTIALITY, shall be deleted in its entirety and replaced by the following:

"35. COUNTY CONFIDENTIAL INFORMATION

35.1 Contractor shall maintain the confidentiality of all records, data and information, including but not limited to, billings, County records and data, and other information (collectively "County Confidential Information"), in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including HIPAA, California Civil Code Section 1798.29 and County policies concerning information technology security and the protection of confidential records and information. Further, Contractor shall take all reasonable actions necessary or advisable to protect all County Confidential Information in its possession, custody and/or control from loss or damage by any cause, including fire, theft or other catastrophe.

35.2 Notwithstanding any provision to the contrary in the Agreement, either party may disclose information about the other party that: (a) is lawfully in the public domain at the time of disclosure; (b) is disclosed with the prior written approval of the party to which such information belongs; or (c) is subject to prior written notice to the other party so that such party may seek confidential treatment for such information, as required by law to be disclosed.

35.3 Except as required by law or in furtherance of a party's duties and obligations under this Agreement, neither party shall reproduce, distribute or disclose to any person or entity any

information identifying, characterizing or relating to any risk, threat, vulnerability, weakness or problem regarding information security or maintenance in the other party's computer systems, or to any safeguard, countermeasure or contingency plan, policy or procedure for data security contemplated or implemented by the other party.

- 35.4 With respect to any of the County Confidential Information, Contractor shall: (a) not use any such County Confidential Information for any purpose whatsoever other than carrying out the express terms of the Agreement; (b) promptly transmit to County all requests for disclosure of any such County Confidential Information; (c) not disclose, except as otherwise specifically permitted by the Agreement, any such County Confidential Information to any person or organization other than County without County's prior written authorization; and (d) at the expiration or termination of the Agreement, return all such County Confidential Information as instructed.
- 35.5 Contractor shall indemnify, defend, and hold harmless County Indemnitees pursuant to Sub-paragraph 15.1 (Indemnification) of this Agreement, from and against any and all third party claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, to the extent arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or Subcontractors, to comply with this Paragraph 35, to the extent subject to Contractor's indemnity obligations under Sub-paragraph 15.1 (Indemnification).
- 35.6 Contractor shall inform all of its officers, employees, agents and Subcontractors performing work hereunder of the confidentiality provisions of the Agreement. Notwithstanding the foregoing, Contractor acknowledges and agrees that it is responsible for any breach of the obligations of confidentiality set forth herein by any person or entity to which Contractor discloses the County Confidential Information or provides access to such County Confidential Information by virtue of performing Work on behalf of Contractor under the Agreement.
- 35.7 Contractor shall agree in writing to provisions equivalent to those set out in Exhibit J (Contractor Acknowledgement and Confidentiality Agreement) to the Agreement.

- 35.8 Contractor acknowledges that a breach by Contractor of this Paragraph 35 may result in irreparable injury to County that may not be adequately compensated by monetary damages, and that, in addition to County's other rights under the Agreement, at law and in equity, County shall have the right to injunctive relief to enforce the provisions of this Paragraph 35.
- 35.9 As between County and Contractor, County will be the sole and exclusive owner of any and all information or data input into the System and all results, data and other information generated by the System from processing such data, including compilations and derivative works thereof ("User Data"), including and any and all updates or modifications to User Data. All User Data shall be deemed the County's Confidential Information, as that term is defined in Paragraph 35 to this Agreement. Upon any expiration or termination of this Agreement, and continuously throughout the term of this Agreement, Contractor will make available to and otherwise provide County with a complete copy of the most recent back up of the User Data in a mutually agreed upon, commercially standard format that is compatible with County's then existing systems, and will make commercially reasonable efforts to assist County in the transition of such User Data as reasonably requested by County. Upon request, Contractor, within ten (10) days of termination, will certify in writing its compliance with this Paragraph to the County. This Agreement shall not be construed as granting any ownership rights in Contractor to any User Data or any other County Confidential Information. The User Data shall not be used by Contractor for any purpose other than as required under this Agreement or applicable law, statute or regulation, nor shall the User Data or any part of the User Data be disclosed, sold, assigned, leased or otherwise disposed of to third parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, subcontractors or agents. Contractor will not retain, and will have no obligation to retain, any User Data for any period longer than necessary for Contractor to fulfill its obligations under this Agreement. As soon as Contractor no longer needs to retain such User Data in order to perform its duties under this Agreement, Contractor will promptly return to County and destroy or erase all originals and copies of such User Data."

10. Agreement, Paragraph 68, WARRANTIES, shall be amended to add the following:

"68.7 Contractor represents, warrants, and covenants that the System to be provided hereunder shall fully comply with all applicable federal, state and local statutes, rules and regulations, and that it shall be deemed a material breach of this Agreement by Contractor if it shall fail to observe this requirement. If such a breach is not cured in accordance with this Agreement, County may terminate this Agreement without penalty and without limiting any other rights and remedies set forth in this Agreement.

68.8 Contractor represents, warrants, and covenants that the services to be provided hereunder shall comply with all applicable rules, regulations and accreditation standards or requirements of: Medicare or Medicaid or other federal or state health programs, the Joint Commission; the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); updates to incorporate any changes to such laws, rules, regulations, requirements and standards; and the terms and conditions set forth in Exhibit H-1 (Business Associate Agreement), and that Contractor will comply with the provisions of the Business Associate Agreement with respect to Protected Health Information, as defined therein.

68.9 Contractor represents, warrants, covenants and agrees that there are no existing or threatened legal proceedings against Contractor that would have a material adverse effect upon its ability to perform its obligations under this Agreement or its financial condition or operations.

68.10 Without in any way limiting Paragraph 68.8 of this Paragraph, Contractor shall comply, and shall require its subcontractors to comply with, all applicable federal, state, and local laws, rules and regulations. Contractor represents, warrants, covenants and agrees that (a) the System complies with all existing federal, state and local laws, rules and regulations; and (b) if the System becomes non-compliant with any applicable federal, state or local laws, rules or regulations, Contractor will incorporate all functionality into the System as required to become compliant, at no additional charge, as soon as practicable, or if Contractor is unable to do so after commercially reasonable efforts, upon written notice to County this Agreement will terminate with respect to the affected portion of the System.

68.11 Contractor represents and warrants that the System, including the Products, are capable of being accessed by authorized Users using industry standard internet protocols in effect as of the Effective Date."

11. Agreement, Paragraph 72, BACKGROUND AND SECURITY INVESTIGATIONS, shall be added and incorporated as follows:

"72. BACKGROUND AND SECURITY INVESTIGATIONS

- 72.1 At the discretion of the County, all Contractor staff performing work under this Agreement may be required to undergo and pass a background investigation as a condition of beginning and continuing to work under this Agreement. Contractor shall use its discretion in determining the method of background clearance to be used, but will work with County to address any specific concerns of County. The fees associated with obtaining the background information shall be at the expense of the Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation.
- 72.2 County may, upon reasonable request that the Contractor's staff be immediately removed from working on the County Agreement at any time during the term of this Agreement.
- 72.3 County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.
- 72.4 Disqualification, if any, of the Contractor's staff, pursuant to this Paragraph 72, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement."

12. Agreement, Paragraph 73, SECURITY, shall be added and incorporated as follows:

"73. SECURITY

- 73.1 **In General.** Contractor will maintain and enforce safety and physical security procedures with respect to its access, use, and possession of County's Confidential Information, including Personally Identifiable Information, (a) that are compliant with the requirements of Exhibit I (Information Security and Privacy Requirements) and, to the extent not inconsistent, at least equal to industry standards for such types of locations, and (b) which provide reasonably appropriate technical and organizational safeguards against accidental or unlawful destruction, loss, alteration, or unauthorized disclosure or access of such information. Without limiting the generality of the foregoing, Contractor will take all reasonable measures to secure and defend its

location and equipment against “hackers” and others who may seek, without authorization, to modify or access Contractor systems or the information found therein. Contractor will periodically test its systems for potential areas where security could be breached. Contractor will immediately report to County any breaches of security or unauthorized access to County’s Confidential Information, including Personally Identifiable Information that Contractor detects or becomes aware of. Contractor will use diligent efforts to remedy such breach of security or unauthorized access in a timely manner and deliver to County a root cause assessment and future incident mitigation plan with regard to any breach of security or unauthorized access affecting the Confidential Information, including Personally Identifiable Information. Contractor shall provide County all written details regarding Contractor’s internal investigation regarding any security breach. Upon County’s request, Contractor will provide a second more in-depth investigation and results of findings. Unless required by law, Contractor agrees not to notify any regulatory authority nor any customer or consumer, on behalf of County unless County specifically requests in writing that Contractor do so. Contractor and County will work together to formulate a plan to rectify all security breaches.

73.2 **Unauthorized Access.** In the course of furnishing the Services, Contractor shall not access, and shall not permit Contractor Personnel or entities within its control to access, County Systems (i) without County’s express written authorization, or (ii) except as is necessary for Contractor to perform its obligations set forth in this Agreement, including in the Statements of Work hereunder. Such written authorization may subsequently be revoked by County at any time in its sole discretion. Further, any access shall be consistent with, and in no case exceed the scope of, any such authorization given by County. All County authorized connectivity or attempted connectivity to County Systems shall be only through County’s secure gateways and/or firewalls, and in conformity with applicable County security policies.

73.3 **Contractor Systems.** Contractor shall be solely responsible for all systems Contractor uses to access County Systems. Contractor shall ensure that its systems include up-to-date anti-malware software to prevent viruses, Trojans, etc. from reaching County Systems through Contractor’s systems.

Contractor shall prevent unauthorized access to County Systems through the Contractor systems.

- 73.4 **Use of Personal Portable Devices.** Without County's prior written authorization, under no circumstances will any Contractor Personnel connect to any County System or access, handle, or use any County Confidential Information and/or data, for purposes of downloading, extracting, storing, or transmitting the information and/or data through personally owned, rented, or borrowed equipment, including but not limited to, laptops, personal digital assistants, instant messaging devices, Universal Serial Bus ("USB") devices, and cell phones.
- 73.5 **Security Breach.** Contractor shall notify County of any security, or suspected security, breach of any County Confidential Information or data covered under applicable federal regulations set forth in 12 C.F.R. Part 30, or under California Civil Code 1798.29, or any other breach of Confidential Information immediately following discovery, if the information was, or is reasonably believed to have been acquired by an unauthorized person. Notification must be given in the most expedient time possible and without unreasonable delay. Written confirmation must be sent within three (3) days of discovery or notification of the breach or suspected breach.
- 73.6 **Additional Procedures in the Event of Security Breach of Personally Identifiable Information.** Upon County's determination that a misuse or security breach of Personally Identifiable Information, as defined in Exhibit I (Information Security and Privacy Requirements), has occurred or is reasonably possible Contractor shall fully cooperate with County in rectifying any misuse, including notifying all affected County customers. County shall determine, in its reasonable discretion, the content and means of delivery of the customer notice. Contractor will bear all reasonable costs and expenses for mitigation actions, to the extent required by applicable law and incurred as a result of security breach primarily caused by Contractor for County customers whose Personally Identifiable Information has or may have been compromised.
- 73.7 **Additional Procedures for the Identification of Possible Instances of Identity Theft.** Contractor acknowledges that County has certain obligations to identify patterns, practices,

and specific forms of activity that indicate the possible existence of identity theft (defined as fraud committed using the identifying information of another person), pursuant to Section 114 of the Fair and Accurate Credit Transactions Act of 2003 and its implementing regulations promulgated by the Office of the Comptroller of the Currency, 12 C.F.R. Part 41. Contractor, to the extent that it holds or otherwise has access to data that is subject to the Fair and Accurate Credit Transactions Act, agrees to establish, maintain and update reasonably effective policies and procedures to detect, prevent, and mitigate the risk of identity theft, and to promptly notify and report to County upon request, any instances where Contractor detects potential identity theft in the course of its duties pursuant to this Agreement. Contractor further agrees to immediately report to County any confirmed instances of identity theft. In furtherance thereof, Contractor agrees to be guided by the examples of identity theft "Red Flags" (defined as a pattern, practice, or specific activity that indicates the possible existence of identity theft) set forth in Supplement A to Appendix J to 12 C.F.R. Part 41. Upon request by County, Contractor agrees to confirm in writing and, when specified, demonstrate to County its compliance with the requirements of this Paragraph 78 (Security)."

- 73.8 **Data Encryption Requirements.** Contractor and Subcontractors that electronically transmit or store County personal information (PI), protected health information (PHI) and/or medical information (MI) shall comply with the encryption standards set forth below. PI is defined in California Civil Code Section 1798.29(g). PHI is defined in Health Insurance Portability and Accountability Act of 1996 (HIPAA), and implementing regulations. MI is defined in California Civil Code Section 56.05(j).
- a. **Stored Data.** Contractors' and Subcontractors' workstations and portable devices (e.g., mobile, wearables, tablets, thumb drives, external hard drives) require encryption (i.e. software and/or hardware) with cipher strength of 128 bit.
 - b. **Transmitted Data.** All data transmitted outside of the County's network(County PI, PHI and/or MI) requires encryption in accordance with: (a) NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations; and (b) NIST Special Publication 800-57 Recommendation for Key Management – Part 3: Application-Specific Key Management Guidance.

Secure Sockets Layer (SSL) is minimally required with minimum cipher strength of 128-bit.

c. Certification. The County must receive within ten (10) business days of its request, a certification from Contractor (for itself and any Subcontractors) that certifies and validates compliance with the encryption standards set forth above. In addition, Contractor shall maintain a copy of any validation/attestation reports that its data encryption product(s) generate and such reports shall be subject to audit in accordance with the Agreement. Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 73.8 (Data Encryption Requirements) shall constitute a material breach of this Agreement upon which the County may terminate or suspend this Agreement.

73.9 Notwithstanding any provision of this Paragraph 73 to the contrary, where there is a conflict with the terms of the Business Associate Agreement and any terms of this Paragraph 73, the Business Associate Agreement will prevail solely with respect to such conflict.

13. Agreement, Paragraph 74, COMMUNICATION SYSTEMS AND ACCESS TO INFORMATION, shall be added and incorporated as follows:

"74. COMMUNICATION SYSTEMS AND ACCESS TO INFORMATION: During the term of this Agreement, Contractor may receive access to County's software, computers, equipment, and electronic communications systems ("County Systems"), including but not limited to voicemail, email, customer databases, and internet and intranet systems. Such County Systems are intended for legitimate business use related to County's business. Contractor acknowledges that Contractor does not have any expectation of privacy as between Contractor and County in the use of or access to County Systems and that all communications made with such County Systems or equipment by or on behalf of Contractor are subject to County's scrutiny, use, and disclosure, in County's discretion. County reserves the right, for business purposes and activities, to monitor, review, audit, intercept, access, archive, and/or disclose materials sent over, received by or from, or stored in any of its electronic County Systems. This includes, without limitation, email communications sent by users across the internet and intranet from and to any domain name owned or operated by County. This also includes, without limitation, any electronic communication system that has been used to access any of County Systems. Contractor further agrees that Contractor will use all appropriate security, such as, for example, encryption and

passwords to protect County's Confidential Information from unauthorized disclosure (internally or externally) and that the use of such security does not give rise to any privacy rights in the communication as between Contractor and County. County reserves the right to override any security passwords to obtain access to voicemail, email, computer (and software or other applications) and/or computer disks on County Systems. Contractor also acknowledges that County reserves the right, for any business purposes and activities, to search all work areas (e.g., offices, cubicles, desks, drawers, cabinets, computers, computer disks, and files) and all personal items brought onto County property or used to access County Confidential Information or County Systems."

14. Agreement, Paragraph 75, TIME OFF FOR VOTING, shall be added and incorporated as follows:

"75. TIME OFF FOR VOTING

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000).

15. Agreement, Paragraph 76, COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING, shall be added and incorporated as follows:

"76. COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

76.1 The Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting Contractors from engaging in human trafficking.

76.2 If a Contractor or member of the Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of the Contractor's staff be removed immediately from performing services under this Agreement. The County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

76.3 Disqualification of any member of the Contractor's staff pursuant to this Sub-paragraph shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement."

16. Agreement, Paragraph 77, SURVIVAL, shall be added and incorporated as follows:

“77. SURVIVAL

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Paragraphs shall survive any termination or expiration of this Agreement:

Sub-paragraph 15.1 (Indemnification)

Sub-paragraph 15.2 (General Provisions for all Insurance Coverage), but only to the extent provided for by Paragraph 15.

Sub-paragraph 15.3 (Insurance Coverage), but only to the extent provided for by Paragraph 15.

Paragraph 16 (Record Retention and Inspection/Audit Settlement)

Paragraph 21 (Compliance with Applicable Laws)

Paragraph 26 (Governing Law, Jurisdiction, and Venue)

Paragraph 35 (Confidentiality)

Paragraph 57 (No Payment for Services Provided Following Expiration/Termination of Agreement)

Paragraph 82 (Survival)

Exhibit H-1 - Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

Exhibit I.1 - Information Security and Privacy Requirements

Exhibit J - Contractor Acknowledgement and Confidentiality Agreement”

17. Agreement, Exhibit A-2, Statement of Work, is deleted in its entirety and replaced by Exhibit A-3, attached hereto and incorporated herein by reference. All references to Exhibit A-2 in the Agreement shall hereafter be replaced by Exhibit A-3.

18. Agreement, Exhibit I.1, Information Security and Privacy Requirements; I.2, Web Application Secure Coding Standards; I.3, Application Security Requirements; and I.4, Data Encryption Certification, attached hereto and incorporated herein by reference.

19. Agreement, Exhibit J, Contractor Acknowledgement and Confidentiality Agreement, attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____
Christina R. Ghaly, M. D.
Acting Director of Health Services

PROVIDER ADVANTAGE, NW, Inc.
Contractor

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL

REVENUE360®
STATEMENT OF WORK

HIPAA COMPLIANT 270/271 ELIGIBILITY SOFTWARE
DEMOGRAPHIC VALIDATION SOFTWARE

BACKGROUND AND OVERVIEW

270/271 ELIGIBILITY SOFTWARE

- a) The Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Title II requires the Department of Health and Human Services to establish national standards for electronic health care transactions and national identifiers for providers, Health Plans, and employers. Under the HIPAA Administrative Simplification Provisions, 270/271 transactions were adopted under 45 CFR 162 as the Electronic Data Interchange (EDI) standard for Health Care Eligibility Benefit Inquiry/Response. The 270/271 is a “paired” transaction: the 270 is an outbound eligibility inquiry and the 271 is an inbound eligibility response. Response times are measured in seconds. This process would be a significant improvement over telephone inquiries or paper methods of eligibility determination. All other real time formats for health care eligibility inquiry and response, other than Direct Data Entry (DDE), became obsolete effective October 16, 2003.
- b) In order to be in compliance with the HIPAA rules, the County, a covered entity, is mandated to abide by the ANSI X12 270/271 eligibility standard format. For this reason, it is essential that the County continues to retain the Revenue360® Eligibility software to run in the background of the Healthcare Information System (HIS) registration process, which is managed by Cerner and the Revenue Cycle software managed by QuadraMed (QM), to obtain patient healthcare eligibility status via the 270/271 transaction enabling registration areas the capability to inquire in real-time. These continued services are required to remain HIPAA compliant.
- c) Revenue360® Eligibility, as defined in Attachment 1 (Description of Products and Services), to this Exhibit A-3, is a software product that automates the process of interfacing with both Cerner and QM Affinity's® ANSI compliant X12 270 transaction (Eligibility and Benefit Request) and the X12 271 transaction (Eligibility and Benefit Response) EDI module that can connect with California Medicaid (“Medi-Cal”), Centers for Medicare and Medicaid Services (for “Medicare” transactions) and a wide variety of Health Plans nationwide, providing the most current eligibility and benefit information available. Revenue360® Eligibility and other services provided as described in Attachment 2 (Retroactive Self-pay Identification Module (‘RIM’) Version 1.0 Summary), and Attachment 3 (Customer Support Requirements) of this document are subject to the monthly fees detailed in Exhibit B-4, Chart II, Schedule of Payments, herein.

- d) While making every effort to comply with the federally mandated HIPAA Transaction Code Set (TCS) Health Care Eligibility Benefit Inquiry/Response Transaction (270/271) standard, it is essential that the County continues to use the Cerner and QM EDI X12 270/271 Eligibility and Benefits tool sets. Some of the functionality of this tool include generating eligibility request (270) in the standardized federal format to payers in an on-line real time manner, using standardized interface functionality to view coded messages, generating multiple eligibility requests (270) to the same payer, viewing the returned eligibility data (271) from multiple locations within Affinity, storing multiple eligibility replies (271) to a single request (270) and automatically creating an eligibility request (270) at the point of patient registration based on payer source and patient service.

DEMOGRAPHIC VALIDATION SOFTWARE

- e) The Revenue360® integrated Demographic Validation solution enhances patient identity management through the verification of patient name, date of birth, social security number and address. The Revenue360® Demographic Validation module can be used to verify patient/guarantor address validity, confirm patient/guarantor demographic information, as well as to locate unknown patient/guarantor address or demographic details.

This is accomplished in real-time mode by using a combination of the patients demographic data captured during the registration process. Revenue360® utilizes predefined business rules, created during product implementation, to verify patient's demographic information against the Demographic Validation data source for accuracy. Response times are measured in seconds.

The Revenue360 Address Validation Module verifies address validity and standardizes existing address information via integrated United States Postal Services (USPS) Address Matching System technology for defined patient populations.

The Address Validation portion of the Demographic Validation module enables County authorized participants to provide better patient care. Appointment scheduling and follow up communication is more effective when correct addresses are maintained within the Affinity system. Billing communication is also generated based on the address stored in Affinity, and the use of the Address Validation module will reduce the bad address returned mail volume.

Improving address accuracy during patient screening improves the County's ability to identify third party coverage and increase the success of self-pay collection. It is expected that by reducing the number of accounts going to collections, the fees paid to the County's contingent fee vendors will decrease. For this reason, it is beneficial that the County utilize the Revenue360® Demographic Validation software to use on

demand in the Revenue Cycle Software managed by QM, to obtain patient address and demographic information.

- f) Revenue360® Demographic Validation, as defined in Attachment 1 (Description of Products and Services), is a software product that automates the process of communicating with Affinity's® Demographic Validation interface, providing the most current patient address and demographic information available, for update to the patient record.

Revenue360® Demographic Validation and other services provided as described in Attachment 1 (Description of Products and Services) and Attachment 3 (Customer Support Requirements) of this document are subject to the monthly fees detailed in Exhibit B-4, Chart II, Schedule of Payments.

- g) The Revenue360® integrated Demographic Validation Module is a proprietary solution for Affinity, designed to only work with QM and Provider Advantage applications.

The system is fully integrated to interface with Affinity and functions through the use of Affinity and web browser screens. The business rules governing the patient types and screening frequency will be defined by the County to maximize receipt of valid data. Some of the functionality of this module includes manually generating an Address Validation and/or Demographic Validation request, automating request submission based on rules (bad address flag etc.), reviewing demographic or address results, selecting single result from multiple records, posting selected data elements to the field level in Affinity.

TASK No. 1.0 – System Maintenance - 270/271 Eligibility Software:

Subtask 1.1 –Contractor shall provide System Maintenance, ***Product Updates***, additional maintenance, Customer Support and Customer Support for additional Products or Services. Upgrades and revisions required to maintain compliancy with federal/state regulations will be made by the contractor at no cost to the County.

Deliverable 1.1 – Contractor shall provide System Maintenance on a base monthly fee, including Product ***Updates*** (not rewrites or ***Upgrades unless Contractor provided similar upgrades to Contractor's other customers at no additional cost***) needed to process transactions. Additional maintenance and customer support after business hours and Customer Support for additional Products or Services will be provided on a time and materials basis under the fees for custom programming as described in Exhibit B-4, Chart II, Schedule of Payments. Upgrades and revisions required to maintain compliancy with federal/state regulations will be made by the contractor at no cost to the County.

The Revenue360® Eligibility, Retroactive Self-pay Identification Module (RIM) and Demographic and Address Validation programs are described in Exhibit A-3, Attachments 1, 2 and 3.

Contractor may provide Customer Support for additional Products or Services not specified in these paragraphs under the fees as described in Exhibit B-4, Chart II, Schedule of Payments, if such Customer Support is specifically requested in the applicable Software Change Request Form (see Exhibit B-4, Attachment 1).

All of the following items will be considered part of the system maintenance and covered under the fixed monthly fee:

- a. Maintenance of Revenue360® software
- b. Maintenance of the RIM module as defined in the Version I (one) design document (see Attachment 3).
- c. Updates to the software as released from time to time to other customers or as identified by Contractor or County to improve processing and agreed to by Contractor.
- d. Upgrades will be provided at no additional cost to the County when Contractor provided similar upgrades for Contractor's other customers at no additional cost.
- e. Processing transactions within the Revenue360® Eligibility processing design limitations defined in Exhibit B-4, Chart II, Schedule of Payments.

TASK No. 2.0 – Clearing House Eligibility Transactions- 270/271 Eligibility Software

Subtask 2.1 – Clearing House Eligibility Transactions

The Contractor shall process Clearing House transactions through the Revenue360® Eligibility System for commercial payers on a per transaction fee basis (see Exhibit B-4, Chart II, Schedule of Payments).

Deliverable 2.1 - Clearing House Eligibility Transactions

The County will pay for clearing house transactions at the rate per transaction as specified in Exhibit B-4, Chart II, Schedule of Payments.

TASK NO. 3.0 – Processing After Design Limits Exceeded - 270/271 Eligibility Software:

Subtask 3.1 – Contractor shall provide resources to process transactions when the volume exceeds the system design limitations.

Deliverable 3.1 – Transaction Processing after Design Limit Exceeded: Contractor shall provide commercially reasonable efforts to modify the provided Products and/or provide Customer Support so as to enable County to process transactions when the volume reaches or exceeds the Products' design limitations. County shall pay for transactions in excess of design limitation on a per transaction basis as specified in Exhibit B-4, Chart II, Schedule of Payments.

This version of Revenue360® software was written specifically to meet County's requirements for processing speed and capacity with applicable updates that Contractor shall provide County from time to time. Currently, Revenue360® Eligibility has a processing design limitation of 1,900,000 Admissions Eligibility transactions per month and 3,600,000 RIM Transactions per month.

TASK NO. 4.0 – Professional Services- 270/271 Eligibility Software:

Subtask 4.1 – Contractor shall provide Professional Services on a time and materials basis using the hourly rates in Exhibit B-4, Chart II, Schedule of Payments according to a Requirements Document and Work Order (Software Change Request Form) executed by both parties. The County will pay only for authorized Professional Services when the County authorizes this work in writing (see Exhibit B-4, Chart II, Schedule of Payments, Professional Services Fees).

1. Class A Technician

A Class A Technician directs and manages activities of Contractor's staff to accomplish such tasks and objectives as are defined from time to time by Contractor and County. A Level A individual may report to the County's Project Director regarding performance, personnel matters, operating standards, systems evaluation and actions on all activities performed by Contractor Personnel.

2. Class B Technician

A Class B Technician provides consultation regarding specific tasks and objectives defined from time to time by Contractor and County related to the general operation and support of the system.

3. Class C Technician

A Class C Technician provides assistance in analysis, design, programming, documentation writing and edition, training, testing, maintenance, review, installation and implementation of original or previously written programs, systems, utilities or functions.

Deliverable 4.1 – Custom Programming

County shall reimburse Contractor for reasonable and necessary time and expenses incurred by Contractor to resolve issues which are necessitated by reasons other than the Products not meeting **Specifications**, including any time and expenses incurred relative to rendering any computer or Local Area Network (LAN) capable of operating the Product licensed under this Agreement (see Exhibit B-4, Chart II, Schedule of Payments).

TASK NO 5.0 – Onsite Training - 270/271 Eligibility Software:

Subtask 5.1 – Onsite Training

Contractor shall provide onsite training on an as needed basis. Contractor staff will be billed at the per diem rate of \$1,000 per day, per person with a maximum of five days per trainer, (see Exhibit B-4, Chart II, Schedule of Payments and Exhibit B-4, Attachment I, Software Change Request Form). Contractor will bill County for travel and lodging expenses for training staff.

Deliverable 5.1 – Onsite Training

Contractor shall provide onsite training to the County charging a per diem rate for staff time. The County shall reimburse only actual travel and lodging expenses subject to the Auditor Controller's Travel policy detailed in Chapter 12 of the Fiscal Manual. The amounts paid will not exceed the County Auditor-Controller's guidelines.

County will provide one individual staff member to attend all scheduled sessions to represent County.

Training sessions may be combined across facilities and Revenue360® modules at the discretion of the County.

TASK 6.0 – Pool Dollars - 270/271 Eligibility Software:

Subtask 6.1 - Surcharges

Contractor shall pass through without additional mark-up to the County any telecommunications surcharges or other surcharges, etc., assessed by a Health Plan or telecommunications carrier to Contractor that is related to the agreement, but is outside the agreement. See Exhibit B-4, Chart II, Schedule of Payments.

Contractor shall pass through without additional mark-up to the County any increases in communication tariffs related to services or any fees charged for access to data including, government imposed access fees, fees resulting from changes in regulation or statute, or other similar fees assessed against the Contractor that are outside of the Contractor's control.

Deliverable 6.1 - Surcharges

Contractor shall invoice to the County telecommunications or other surcharges assessed by a Health Plan or telecommunications carrier to Contractor without additional mark-up. County shall pay Contractor for surcharges as described above according to Exhibit B-4, Chart II, Schedule of Payments.

Contractor shall invoice to the County any increases in communication tariffs related to services or any fees charged for access to data including, government imposed access fees, fees resulting from changes in regulation or statute, or other similar fees assessed against the Contractor that are outside of the Contractor's control, without additional mark-up. County shall pay Contractor for surcharges as described above according to Exhibit B-4, Chart II, Schedule of Payments.

Subtask 6.2 – Reports

Contractor shall provide customized management reports in formats and time frames, as reasonably requested by the Director and agreed to by the Contractor at no additional cost to the County. The specifications for these reports will be determined by mutual agreement by the County and Contractor.

Contractor shall meet to discuss any recommendations to adjust the System or improve performance of the Software/Product on the System to achieve optimal performance of the Product in the existing System environment. Contractor shall provide written reports including recommendations as requested by Director and agreed upon by the Contractor at no additional cost to the County.

Deliverable 6.2 – Reports

Upon the Director's request, Contractor shall work with the County to determine the specifications of the report(s) requested and provide customized management report(s) in formats and timeframe agreed upon by Director and Contractor at no additional cost to the County.

Contractor shall analyze the System's performance and provide written performance review reports and recommendations as requested by Director at no additional cost to the County.

TASK No. 7.0 – Address Validation Transactions- Demographic Validation Software:

Subtask 7.1 – Address Validation Transactions

The Contractor shall provide Address Validation transactions through Revenue360® on a transaction pricing basis (see Exhibit B-4, Chart II, Schedule of Payments). Contractor will provide up to date transaction volume reporting, by facility for the current month, on a monthly basis.

Deliverable 7.1 –Address Validation Transactions

The County will pay for Address Validation transactions on a transaction pricing basis, as specified in Exhibit B-4, Chart II, Schedule of Payments. Contractor will provide transaction volume reporting by facility, for the current month, on a monthly basis.

TASK No. 8.0 – Demographic Validation Transactions - Demographic Validation Software:

Subtask 8.1 – Demographic Validation Transactions

The Contractor shall provide Demographic Validation transactions through Revenue360® on a transaction pricing basis (see Exhibit B-4, Chart II, Schedule of Payments). Contractor will provide up to date transaction volume reporting, by facility for the current month, on a monthly basis.

Deliverable 8.1 – Demographic Validation Transactions

The County will pay for Demographic Validation transactions on a transaction pricing basis, as specified in Exhibit B-4, Chart II, Schedule of Payments. Contractor shall provide transaction volume reporting by facility, for the current month, on a monthly basis.

REVENUE360®
DESCRIPTION OF PRODUCTS AND SERVICES

Revenue360® Eligibility

Revenue360® Eligibility will interface with the QuadraMed Affinity and Cerner 270/271 EDI modules and automate the process of creating and processing a query and response electronically accessible from Health Plans eligibility and benefit databases throughout the country, providing the most current eligibility information available.

Eligibility Workflow / Processing

1. Accepts an automatically or manually generated inquiry from the registration or scheduling system using Affinity defined X12 270 transaction format.
2. Maps user defined insurance codes from registration or scheduling system to specific payer or clearinghouse requirements and translates inquiry to a normalized HIPAA defined version 5010A1 X12 270 formatted eligibility inquiry format.
3. Translates the normalized X12 270 formatted eligibility inquiry to a Health Plan specific X12 270 format or non-standard eligibility inquiry format.
4. Transmits the inquiry to Medicare, Medicaid, national Health Plans or regional or local Health Plans who provide access and are covered by this Agreement or any amendments to this Agreement. A listing of all Health Plans covered by this agreement is posted and constantly updated at the Contractor's website for reference. Where available, Revenue360® Eligibility also supports connections directly to regional Health Plans if not accessible from a clearinghouse (requires a Software Change Request and amendment to the Agreement). Revenue360® Eligibility uses Health Plan required communications protocol for each connection. Revenue360® Eligibility stores inquiries during scheduled Health Plan down times for transmission at a later time when the Health Plan's system is available (configuration required).
5. Receives a HIPAA defined, Health Plan configured X12 271 response or proprietary non-standard eligibility response from Health Plan.
6. Translates the eligibility response to the format required by registration or scheduling system vendor.
7. Delivers this transaction to the registration or scheduling system for posting to the patient account.
8. Creates exception reports for inquiry results showing patients as ineligible, showing Medicare restrictions and/or treatment parameters or with other management defined information.

Revenue360® Eligibility produces payer specific exception reports or staff work lists allowing staff to focus research on exceptions or accounts with identified problems. These custom defined reports can increase staff efficiency by eliminating handling of consolidated paper reports for all Health Plans and all exception patient accounts.

Eligibility Health Plan Connections

1. Accessing data directly from Medi-Cal through the current County provided network, Wide Area Network (WAN) connection. Revenue360® Eligibility's ability to process Medi-Cal inquiries is limited to the capability of this connection.
2. Accessing data directly from The Centers for Medicare & Medicaid Services (CMS) Medicare database through the current County contracted network (WAN) connection or the Provider Advantage contracted connection to Medicare. Revenue360® Eligibility's ability to process Medicare inquiries is limited to the capability of these connections.
3. Accessing data from various commercial, Medicaid agencies, and other Health Plans available through the clearinghouse real time switch. This access shall use an Internet Virtual Private Network (VPN) connection to Contractor's hub in Portland, Oregon and Contractor shall connect to the clearinghouse through their network connection to the clearinghouse real time switch.
 - i. Through this clearinghouse connection, Contractor shall provide County access to data from a number of commercial Health Plans or Medicaid agencies as determined by County. Periodically additional Health Plans are available and Contractor shall provide access to the data from these Health Plans upon request from the County and in a manner consistent with Contractor's other customers.
 - ii. Revenue360® Eligibility's ability to process inquiries to the Health Plans available through the clearinghouse is limited to the capability of the County's connection to Contractor's hub. Using this connection, Contractor can provide an alternative path to Medi-Cal and Medicare if County's connection to these Health Plans becomes inoperative and County requests use of this pathway in writing. Contractor requires a minimum of one business day to configure and manually convert to this alternative routing. The time and materials to coordinate this connection shall be considered Chargeable Support to the County.
4. Accessing data directly from the Managed Care Services (MCS) through the current County provided network (WAN) connection. Revenue360® Eligibility's ability to process MCS inquiries is limited to the capability of this connection.
5. Development of a different or additional connection or methodology to access data for any of the above Health Plans or clearinghouses or a different Health Plan will require additional software development on a time and materials or negotiated basis.

Revenue360® Demographic Validation and Address Validation

Revenue360® Demographic Validation Module initiates a real-time demographic request that is returned within seconds during the registration process after all necessary data elements are gathered. Demographic details such as address validity, current residence and fraud indicators are returned and the user is notified of the patients benefit status and suggested next steps based on the facility rules, using intelligent guidance. This allows hospital staff to view the necessary demographic information and determine the validity of the patient's demographic information, and act on the instructions provided.

Revenue360® Demographic Validation module reduces input errors by validating and providing alternate name, address, telephone and other demographic information at the point of service, by accessing multiple demographic data sources. Using cascading search criteria to obtain the best information possible, it organizes the returned information, highlighting any differences, allowing the user to update the system. Quickly obtaining correct address information at registration means claims and invoices can be processed faster and more accurately, decreasing A/R days and improving patient satisfaction. It also improves the ability of our providers to contact patients for management of their care.

The Revenue360® Demographic Validation Module integrates two primary functions with intelligent guidance.

1. The Revenue360® Address Validation Module verifies address validity and standardizes existing address information via integrated USPS Address Matching System technology for defined patient populations.
 - Verify if a Patient / Guarantor address is a valid USPS existing address using facility defined business rules.
2. The Revenue360® Demographic Validation Module accesses proprietary demographic data sources to validate and return the most current available patient demographic details, such as name, current address, telephone, as well as Social Security Number (SSN) validity and fraud indicators.
 - Confirm listed Patient / Guarantor address and demographic information using facility defined business rules.
 - Locate unknown Patient / Guarantor address using facility defined business rules.

Address Validation Workflow / Processing

1. Processes an automatically or manually generated Address Validation inquiry from Affinity.
2. Applies facility specific business rules to the request prior to submission.
3. Verifies validity of current address information via USPS databases.
4. When possible, standardizes address via USPS databases to USPS format.
5. Applies facility specific business rules to the demographic response prior to display for user.
6. Display Address Validation results in Revenue360® Response Viewer for user review and action.
 - o Indicates to user if address existence has been verified via USPS databases.
 - o Indicates to user if address has been standardized via USPS databases.
7. User interaction with the Revenue360® Response Viewer to select the desired result and field level updates.
8. Posts the desired Address Validation information and field level updates to the patient account.
9. Creates and prints exception reports for results showing accounts with further review required, or other management defined information.

Address Validation Data Source Connections

1. Accessing data from various third party agencies through the Provider Advantage network, via connection to a central processing switch.
2. This access shall use an Internet Virtual Private Network (VPN) connection to Contractor's hub in Portland, Oregon.
3. All Address Validation inquiries shall be run through Contractor's central processing switch.
4. Address Validation Databases shall be loaded on the Contractor's central processing switch, according to USPS specifications and contractual requirements.

Demographic Validation Workflow / Processing

1. Creates an automatically or manually generated Demographic Validation inquiry from Affinity.
2. Applies facility specific business rules to the request prior to submission.
3. Process Address Validation prior to processing Demographic Validation
 - o Verifies current address information prior to submission.
 - o Standardizes current address information prior to submission.
4. Translates the inquiry to a demographic source in a proprietary request format via the required communications protocols.
5. Applies facility specific business rules to the demographic response prior to display for user.
6. Display demographic response information on the Revenue360® workstation in the Revenue360® Response Viewer for user review and action.
7. User interaction with the Revenue360® Response Viewer to select the desired result and field level updates.
8. Posts the desired response information and field level updates to the patient account.
9. Creates and prints exception reports for results showing accounts with further review required, or other management defined information.

Demographic Validation Data Source Connections

1. Accessing data from various third party agencies through the Provider Advantage network, via connection to a central processing switch.
2. This access shall use an Internet Virtual Private Network (VPN) connection to Contractor's hub in Portland, Oregon.
3. All Address Validation & Demographic Validation inquiries shall be run through Contractor's central processing switch.
4. Contractor shall connect central processing switch to additional outside data-sources indirectly, through their network connection to the data source.

REVENUE360®
RETROACTIVE SELF-PAY IDENTIFICATION MODULE (“RIM”)
VERSION 1.0 SUMMARY SPECIFICATIONS

Background

Approximately 25% of the County's admissions are self-pay patients. An additional group of patients present themselves as covered by Medi-Cal but ineligible responses are returned from the Medi-Cal System. Because a significant number of these patients become eligible for Medi-Cal subsequent to registration, a key business strategy of the County is to periodically check Medi-Cal eligibility for these self-pay patients over a defined period (up to 12 months after admission). Once identified as having retroactive coverage, the County can prepare a claim and send it to Medi-Cal for reimbursement for covered services.

Feature Summary

Version 1.0 of the Revenue360® Retroactive Self-Pay Identification Module (RIM) contains features exclusively developed for and used by the County:

1. When a self-pay or Medi-Cal patient is registered, Revenue360® Eligibility sends an inquiry to Medi-Cal. Any 271 response from Medi-Cal that does not have an active benefit segment (Active Coverage) will be stored in a RIM database. There will be two RIM databases, one for each server.
2. Revenue360® Eligibility periodically reviews the self-pay databases and selects self-pay patients based on monthly inquiry intervals defined by each facility up to 12 months (monthly, every other month, quarterly, etc.).
3. Revenue360® Eligibility generates an inquiry to Medi-Cal for selected Medi-Cal ineligible patients. The RIM processing module submits at a lower priority than new admission inquiries so as not to negatively affect response times. The RIM will send the majority of RIM inquiries at the periods of lowest daily volume.
4. Revenue360® Eligibility returns to Affinity and Affinity posts all inquiry responses that show Active Coverage. (Revenue360® Eligibility uses the original Affinity transaction control number when posting.)
5. Revenue360® Eligibility creates a printable report by facility for all inquiries that return a response indicating Active Coverage. Revenue360® Eligibility also creates a comma-delimited file by facility that corresponds to each report so County staff can manipulate the data using work lists or other data manipulation programs etc. The report and file formats will be mutually agreed upon by the County and Contractor.
6. Each facility has the responsibility for updating a patient's information based on a successful post admission self-pay inquiry (using reports or

comma-delimited file). The facility will then submit claims to Medi-Cal for self-pays showing eligibility for prior dates of service.

7. The RIM module will accept a file from Affinity generated in a mutually agreed upon format which identifies patients to be deleted from the re-inquiry data base for any reason (e.g. a patient pays the bill). It is the County's responsibility to provide this file to Revenue360® Eligibility in a mutually agreed upon format.

REVENUE360®
CUSTOMER SUPPORT REQUIREMENTS

1. **Customer Support Coverage:** Contractor shall provide the following Customer Support during the times specified below and included under fees in Deliverable 1.1. Contractor shall provide additional Customer Support seven days a week, including holidays, between the hours of 11:00 PM to 7:00 AM Pacific Standard Time (PST) for hourly fees specified under Deliverable 4.1.
2. **Customer Support - Business Day:** Normal business day hours are Monday through Friday, 7:00 AM to 5:30 PM PST. The following activities are included, but not limited to, normal Customer Support:
 - a. Periodic (minimum twice daily) proactive monitoring of the County Revenue360® installation utilizing Contractor Revenue360® Support Wizard.
 - b. Resolution of any critical Revenue360® issues. Critical issues require Contractor support intervention in order to resolve. For example, a critical issue would be a system outage due to a Revenue360® system problem or other Contractor related issue which causes Revenue360® to behave outside of the agreed upon functionality.
 - c. Telephone response to County initiated support requests regarding Revenue360® functionality issues and questions and any related issues.
 - d. Resolution of Health Plan and Clearinghouse issues related to transaction content, format, communications, etc.
 - e. Help to identify and resolve issues external to Revenue360. This may include County LAN / WAN connectivity, Health Plan connectivity, Contractor network, or Affinity interface, etc. This Help may include creating reports and preparing documentation of problem.
 - f. Remote user training for reports including reading and interpreting Health Plan responses and Revenue360® functionality issues and questions.
 - g. Revenue360® facility telephone or internet specific training and end user support documentation.
3. **Customer Support - After Hours / Contractor Holidays / Weekends** After Hours Customer Support occurs between the hours of 5:30 PM and 11:00 PM PST on Business Days and between the hours of 7:00 AM and 11:00 PM PT on days other than Business Days:
 - a. Periodic (minimum twice daily) proactive monitoring of the County Revenue360® installation utilizing Contractor's Support Wizard.

- b. Resolution of any critical Revenue360® issues. Critical issues require Contractor support intervention in order to resolve. For example, a critical issue would be a system outage due to a Revenue360® system problem or other Contractor related issue which causes Revenue360® to behave outside of the agreed upon functionality.
- c. Two hours maximum commitment for scheduled interventions or support that the County schedules at least 48 hours in advance (County hardware or network reconfigurations etc.)
- d. Contractor shall make reasonable efforts to respond between the hours of 11:00 pm through 6:00 am to a critical support call within one hour from notice. Non-critical issues to be resolved on next business day.

REVENUE360®

AUTHORIZED PARTICIPANTS (or Users)

The County and Contractor consider the following sites and the associated comprehensive health centers and health centers and/or Programs as Authorized Participants to use Revenue360® and associated software Products and Services. County and Contractor may add additional Authorized Participants by mutual agreement of the parties as an addendum to this Agreement.

1. Harbor/UCLA Medical Center
2. Ambulatory Care Network
3. LAC+USC Healthcare Network
4. Olive View-UCLA Medical Center
5. Rancho Los Amigos National Rehabilitation Center
6. Department of Public Health
7. Whole Person Care Program
8. The Health Agency

PROVIDER ADVANTAGE NW, INC. – SCHEDULE OF PAYMENTS

Exhibit B-4

Board Approved Funding Through 12-31-2022

Provider Advantage Contract H-701910
4/1/2012-12/31/2017
Additional Funding Request

CHART I

Deliverable No.	Deliverable Title	FY 11-12												GRAND TOTAL	
		4/1/2006-3/31/2008	4/1/09-3/31/10	4/1/10-3/31/11	4/1/11-3/31/12	7/1/11-3/31/12	4/1/12-6/30/12	7/1/12-6/30/13	7/1/13-3/31/14	4/1/14-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17		7/1/17-12/31/17
1	System Maintenance (1)	\$744,000	\$240,000	\$240,000	\$63,000	\$189,000	\$69,458	\$284,600	\$208,373	\$69,456	\$277,830	\$277,830	\$277,830	\$136,912	\$3,060,288
1.a	Interface Upgrade and Replacement								14,200	4,200	16,800				\$35,200
2	Clearing House Eligibility Transactions (2)	22,500	7,500	7,500	1,875	5,625	1,875	7,500	5,625	1,875	7,500	7,500	7,500	3,750	\$88,125
3	Transaction Processing After Design Limits (3)	80,100	1,000	1,000		1,000	250	404,809	347,007	115,419	461,676	461,676	461,676	230,838	\$2,566,451
4	Professional Services Fees (4)	97,200	42,000	44,100	3,150	43,150	12,150	98,600	38,950	12,501	50,000	50,000	50,000	25,002	\$566,803
5	On Site Training as Needed (5)	21,900	14,000	14,000		14,000	3,500	14,000	10,500	3,501	14,000	14,000	14,000	7,002	\$144,403
6	Pool Dollars	3,000	1,000	1,000		1,000	250	1,000	750	249	1,000	1,000	1,000	498	\$11,747
	Total	\$968,700	\$305,500	\$307,600	\$68,025	\$253,775	\$87,483	\$790,509	\$625,405	\$207,201	\$828,806	\$812,006	\$812,006	\$406,002	\$6,473,017

II. DEMOGRAPHIC AND ADDRESS VALIDATION

Deliverable No.	Deliverable Title	FY 11-12												GRAND TOTAL
		4/1/09-02/28/11	4/1/10-3/31/11	4/1/11-6/30/11	7/1/11-3/31/12	4/1/12-6/30/12	7/1/12-6/30/13	7/1/13-3/31/14	4/1/14-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17	7/1/17-12/31/17	
7	Professional Services Fees (4)	\$0	\$0	\$0	\$0	\$0	\$10,057	\$22,281	\$0	\$0	\$0	\$0	\$0	\$32,348
8	On Site Training as Needed (5)	\$0	\$0	\$0	\$0	\$0	6,000	6,000	2,000	6,000	6,000	6,000	3,000	\$35,000
9	Minimum Address Validation Subscription (7)	\$0	\$0	\$0	\$0	\$0	12,075	15,525	4,680	18,720	18,720	18,720	9,360	\$97,800
10	Minimum Demographic Validation Subscription (8)	\$0	\$0	\$0	\$0	\$0	10,500	21,900	7,200	28,800	28,800	28,800	14,400	\$140,400
11	Software License (9)	\$0	\$0	\$0	\$0	\$0	35,000	0	0	0	0	0	0	\$35,000
12 & 13	Transaction Processing After Limits	\$0	\$0	\$0	\$0	\$0	12,075		16,231	87,330	87,330	87,330	43,668	\$333,964
	Total			\$0	\$0	\$0	\$85,717	\$65,706	\$30,111	\$140,850	\$140,850	\$140,850	\$70,428	\$674,512

Grand Total \$968,700 \$305,500 \$307,600 \$68,025 \$253,775 \$87,483 \$876,226 \$691,110 \$237,312 \$969,656 \$952,856 \$952,856 \$476,430 \$7,147,529

CHART II. Provider Advantage Contract H-701910

1/1/2018-12/31/2024

Additional Funding Request

I. 270/271 & Address and Demographic Validation

Deliverable No.	Deliverable Title	1/1/18-12/31/18	1/1/19-12/31/19	1/1/20-12/31/20	1/1/21-12/31/21	1/1/22-12/31/22	1/1/23-12/31/23	1/1/24-12/31/24	AMENDMENT #6 TOTAL	PRIOR YEARS	CONTRACT GRAND TOTAL
		OPTIONAL	OPTIONAL								
1	System Maintenance (1)	\$660,000	\$679,800	\$700,194	\$721,200	\$742,836	\$742,836	\$742,836	\$4,989,702	\$3,060,288	\$8,049,990
1.a	Interface Upgrade and Replacement	0	0	0	0	0	\$0	\$0	\$0	\$35,200	\$35,200
2	Clearing House Eligibility Transactions (2)	7,500	7,500	7,500	7,500	7,500	\$7,500	\$7,500	\$52,500	\$88,125	\$140,625
3	Transaction Processing After Design Limits (3)	10,000	10,000	10,000	10,000	10,000	\$10,000	\$10,000	\$70,000	\$2,566,451	\$2,636,451
4	Professional Services Fees (4)	50,000	50,000	50,000	50,000	50,000	\$50,000	\$50,000	\$350,000	\$566,803	\$916,803
5	On Site Training as Needed (5)	14,000	14,000	14,000	14,000	14,000	\$14,000	\$14,000	\$98,000	\$144,403	\$242,403
6	Pool Dollars	1,000	1,000	1,000	1,000	1,000	\$1,000	\$1,000	\$7,000	\$11,747	\$18,747
7	Professional Services Fees (4) AVDV	0	0	0	0	0	\$0	\$0	\$0	32,348	\$32,348
8	On Site Training as Needed (5) AVDV	0	0	0	0	0	\$0	\$0	\$0	35,000	\$35,000
9	Address Validation	5,000	5,000	5,000	5,000	5,000	\$5,000	\$5,000	\$35,000	97,800	\$132,800
10	Demographic Validation	10,000	10,000	10,000	10,000	10,000	\$10,000	\$10,000	\$70,000	140,400	\$210,400
11	Software License (9) AVDV	0	0	0	0	0	\$0	\$0	\$0	35,000	\$35,000
12 & 13	Transaction Processing After Limits (10) (11)	0	0	0	0	0	\$0	\$0	\$0	333,964	\$333,964
	Total	\$757,500	\$777,300	\$797,694	\$818,700	\$840,336	\$840,336	\$840,336	\$5,672,202	\$7,147,529	\$12,819,731

* Funds not used in designated FY shall roll over into the following FYs. Funds shall be redistributed between "Deliverable" categories if needed for program completion and approved by Director.

(1) System Maintenance will be paid at \$23,152 for the first year. Thereafter, the System Maintenance fee will increase by the lesser of the U.S. Department of Labor, Bureau of Labor Statistics' Consumer Price Index for the Los Angeles-Riverside-Orange County Area or 3% per year, for the remaining four (4) years ending on 12/31/2022. The annual estimated expenditures for System Maintenance will be based upon volume indicated in the table below.

(2) Clearinghouse transaction fees will be charged as used by the County at \$.1875 per occurrence. Usage is estimated at 40,000 transactions per year.

(3) The County anticipates that the transaction volume will increase with the implementation of the 270/271 usage by clinical staff. Overage charges will be paid on a tiered pricing model that will benefit the County in the expansion process. A provision for processing Batch transactions during off peak hours will allow for savings in per transaction charges.

- a) The County will pay for Admissions Eligibility transactions submitted to the insurance payer, in excess of 600,000 per month at \$.055 per transaction and will receive price breaks at the rates indicated in the tables below. Off peak transaction charges will be paid based on a per transaction price with savings as volumes increase.
- b) The County will pay for Retroactive Self-Pay Identification transactions (RIM) in excess of 2,400,000 per month at \$.0018 per transaction and will receive price breaks at the rates indicated in the table below.

Initial	Maximum	RIM & Errors Maximum	Tiered Rate
1	600,000	2,400,000	\$23,152
600,001	800,000	2,600,000	\$29,988
800,001	1,000,000	2,800,000	\$36,383
1,000,001	1,200,000	3,000,000	\$42,336
1,200,000	1,400,000	3,200,000	\$49,132
1,400,000	1,600,000	3,400,000	\$55,362
1,600,000	1,800,000	3,600,000	\$61,625

In order to accommodate the County for months where transactions are slightly greater than the maximum but do not yet economically justify the higher tiered rate, a tiered plus overage rate will be utilized. Under this rate structure the County would pay \$.055 for each Admissions Eligibility transaction over the maximum for the tier until the total amount of the overage plus the prior tiered rate is equal to the pricing at the next tier level. Once the County meets this transaction volume, then pricing would move to the next tier:

Base Real Time Transaction Tier	Maximum Real Time Transaction Tier	Off Peak
1	600,000	\$0.0309
600,001	800,000	\$0.0300
800,001	1,000,000	\$0.0291
1,000,001	1,200,000	\$0.0282
1,200,001	1,400,000	\$0.0280
1,400,001	1,600,000	\$0.0277
1,600,001	1,800,000	\$0.0274

The County has requested extended usage pricing for processing of "off peak" inquiries that are not subject to an immediate response. Since the transactions are off peak and the total volume of submissions in any one month can be managed by County staff, pricing that is usage based. The pricing reflects the estimated cost to monitor and maintain the additional processing.

(4) Custom Programming shall be charged on an as needed basis as per Exhibit B-5, Custom Programming Professional Rate Card, below. It is estimated that 226 programming hours will be used per year at the Class A rate per hour. Class B and Class C rates are per hour.

EXHIBIT B-5
Custom Programming Professional Rate Card

Role	2018	2019	2020	2021	2022	2023	2024
Level A Project Director							
Hourly Rate	\$ 221	\$ 221	\$ 225	\$ 225	\$ 225	\$ 230	\$ 230
Level B Project Manager							
Hourly Rate	\$ 187	\$ 187	\$ 191	\$ 191	\$ 191	\$ 195	\$ 195
Level C Programmers and Installers							
Hourly Rate	\$ 161	\$ 161	\$ 164	\$ 164	\$ 164	\$ 168	\$ 168

(5) Travel expenses for onsite annual training are allocated at \$2,000 per person for 2 Contractor staff for each year, (one week of training). Contractor training staff is billed at \$1,000 per diem for 5 days of training; (\$10,000 of staff charges for two persons for one week plus \$2,000 per person travel expenses). The travel expenses will be based on actual expenses and reimbursed subject to the Auditor-Controller guidelines. Training sessions may be combined across facilities and Revenue360® modules at the discretion of the County.

(6) Contractor shall pass through without additional mark-up to the County any telecommunications surcharges or other surcharges, etc., assessed by a Health Plan or telecommunications carrier to Contractor that is related to the agreement, but is outside the agreement. An estimate of \$1,000 per year is included for this type of expense.

(9) The Contractor shall process Address Validation transactions through Revenue360® on a transaction pricing basis (see Exhibit B-4, Chart II, Schedule of Payments).

Transaction Type	From	To	Transaction Price
Address Validation	0	75,000	\$.023

(10) The Contractor shall process Demographic Validation (DV) transactions through Revenue360® on a transaction pricing basis (see Exhibit B-4, Chart II, Schedule of Payments).

Transaction Type	From	To	Transaction Price
Demographic Validation	0	50,000	\$.36



REVENUE360® SOFTWARE CHANGE REQUEST FORM

Product:		
Facility Name:	City:	State:

Requested by:		
Title:	Phone:	
Fax:	E-Mail:	

Work Description:

Est. Cust. Prog. @ Contract rate: (Class A – C): xx hours	Estimated Total: \$xxxx (maximum)
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Testing Requirements: Customer agrees to make resources available to test changes within one week of delivery.

Acceptance Criteria: This software change will be accepted if it works as specified under the Work Description.

Work Description/Estimate of Hours Acceptance Terms: I agree that the above modification(s)/enhancement(s) have been specified to my satisfaction, and authorize Provider Advantage to implement them as described above. I also agree that any modifications to the above request(s) after my authorization may result in additional charges, and may result in a delay to those modifications depending on current work volumes and programming and development availability.

Work Description Authorized by: _____ **Date:** _____

(note: please fax this signed Software Change Request form to 503-352-0266)

This section to be completed when custom changes are implemented

Actual Hours: _____ **Total Charges:** _____

Work Completed and Delivered by: _____ **Date:** _____

Acceptance Signature: I agree that the modification(s)/enhancement(s) have been made to my specifications and satisfaction, and authorize Provider Advantage to invoice, if applicable, for the services performed as described above.

Provider Advantage NW, Inc
www.thessigroup.com
 800.337.5482

EXHIBIT I.1

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

This Exhibit I.1 (Information Security and Privacy Requirements) sets forth information security procedures to be established and maintained by Contractor throughout the Term of the Agreement. These procedures are in addition to the requirements of the Agreement and the Business Associate Agreement between the Parties. They present a minimum standard only. Notwithstanding any provision of this Exhibit I.1 to the contrary, where there is a conflict with the terms of the Business Associate Agreement and any terms of this Exhibit I.1, the Business Associate Agreement will prevail. It is Contractor's sole obligation to: (i) implement appropriate measures to secure its systems and data, including Personally Identifiable Information, Protected Health Information, and County Confidential Information, against internal and external threats and risks; and (ii) continuously review and revise those measures to address ongoing threats and risks. Failure to comply with the minimum standards set forth in this Exhibit I.1 (Information Security and Privacy Requirements) will constitute a material breach of the Agreement by Contractor, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under the Agreement, to immediately terminate the Agreement. Unless specifically defined in this Exhibit, capitalized terms shall have the meanings set forth in the Agreement.

1. **Security Policy.** Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards and procedures (collectively "**Information Security Policy**"). The Information Security Policy will be communicated to all Contractor personnel and subcontractors in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks.

2. **Personnel and Contractor Protections.** Contractor shall screen and conduct background checks on all Contractor personnel and subcontractors contacting County Confidential Information, including Personally Identifiable Information and Protected Health Information, for potential security risks and require all employees, contractors, and subcontractors to sign an appropriate written confidentiality/non-disclosure agreement. All agreements with third-parties involving access to Contractor's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls, and procedures for information systems. Contractor shall supply each of its Contractor personnel and subcontractors with appropriate, ongoing training regarding information security procedures, risks, and threats. Contractor shall have an established set of procedures to ensure Contractor personnel and subcontractors promptly report actual and/or suspected breaches of security.

3. **Removable Media.** Except in the context of Contractor's routine back-ups or as otherwise specifically authorized by County in writing, Contractor shall institute strict physical and logical security controls to prevent transfer of Personally Identifiable Information and Protected Health Information to any form of Removable Media. For purposes of this Exhibit I.1 (Information Security and Privacy Requirements), "**Removable Media**" means portable or removable hard disks, floppy disks, USB memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital

cameras, memory cards (e.g., Secure Digital (SD), Memory Sticks (MS), CompactFlash (CF), SmartMedia (SM), MultiMediaCard (MMC), and xD-Picture Card (xD)), magnetic tape, and all other removable data storage media.

4. **Storage, Transmission, and Destruction of Personally Identifiable Information and Protected Health Information.** All Personally Identifiable Information and Protected Health Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals in accordance with HIPAA, as amended and supplemented by the HITECH Act and the California Civil Code section 1798 et seq. Without limiting the generality of the foregoing, Contractor shall encrypt (i.e., National Institute of Standards and Technology (NIST) Special Publication (SP) 800-111 Guide to Storage Encryption Technologies for End User Devices¹) all Personally Identifiable Information and electronic Protected Health Information (stored and during transmission) in accordance with HIPAA and the HITECH Act, as implemented by the U.S. Department of Health and Human Services. If Personally Identifiable Information and Protected Health Information is no longer required to be retained by Contractor under the Agreement and applicable law, Contractor shall destroy such Personally Identifiable Information and Protected Health Information by: (a) shredding or otherwise destroying paper, film, or other hard copy media so that the Personally Identifiable Information and Protected Health Information cannot be read or otherwise cannot be reconstructed; and (b) clearing, purging, or destroying electronic media containing Personally Identifiable Information and Protected Health Information consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization² and US Department of Defense (DOD) 5220.22-M data sanitization and clearing directive³ such that the Personally Identifiable Information and Protected Health Information cannot be retrieved.

5. **Data Control; Media Disposal and Servicing.** Subject to and without limiting the requirements under Section 4 (Storage, Transmission and Destruction of Protected Health Information), Personally Identifiable Information, Protected Health Information, and County Confidential Information: (i) may only be made available and accessible to those parties explicitly authorized under the Agreement or otherwise expressly Approved by County in writing; (ii) if transferred across the Internet, any wireless network (e.g., cellular, 802.11x, or similar technology), or other public or shared networks, must be protected using industry standard encryption technology in accordance with the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-52 Guidelines for the Selection and use of Transport Layer Security Implementations⁴; and (iii) if transferred using Removable Media (as defined above) must be sent via a bonded courier or protected using industry standard encryption technology in accordance with NIST SP 800-111 Guide to Storage Encryption Technologies for End User Devices⁵. The foregoing requirements shall apply to back-up data stored by Contractor at off-site facilities. In the event any hardware, storage media, or Removable Media must be disposed of or sent off-site for servicing, Contractor shall ensure all County Confidential Information, including Personally Identifiable Information and Protected Health Information, has been cleared, purged, or scrubbed from such hardware and/or media using industry best practices in accordance with NIST SP 800-88, Guidelines for Media Sanitization⁶).

¹ Available at <http://www.csrc.nist.gov/>

² Available at <http://www.csrc.nist.gov/>

³ Available at <http://www.dtic.mil/whs/directives/corres/pdf/522022MSup1.pdf>

⁴ Available at <http://www.csrc.nist.gov/>

⁵ Available at <http://www.csrc.nist.gov/>

⁶ Available at <http://www.csrc.nist.gov/>

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6. **Hardware Return.** Upon termination or expiration of the Agreement or at any time upon County's request, Contractor will return all hardware, if any, provided by County containing Personally Identifiable Information, Protected Health Information, or County Confidential Information to County. The Personally Identifiable Information, Protected Health Information, and County Confidential Information shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County. In the event the hardware containing County Confidential Information or Personally Identifiable Information is owned by Contractor or a third-party, a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction, and the company or individual who performed the destruction will be sent to a designated County security representative within fifteen (15) days of termination or expiration of the Agreement or at any time upon County's request. Contractor's destruction or erasure of Personal Information and Protected Health Information pursuant to this Section shall be in compliance with industry Best Practices (e.g., NIST SP 800-88, Guidelines for Media Sanitization⁷).
 7. **Physical and Environmental Security.** Contractor facilities that process Personally Identifiable Information, Protected Health Information, or County Confidential Information will be housed in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.
 8. **Communications and Operational Management.** Contractor shall: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management and incident response procedures; and (ii) deploy adequate anti-viral software and adequate back-up facilities to ensure essential business information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures will be adequately documented and designed to protect information, computer media, and data from theft and unauthorized access.
 9. **Access Control.** Contractor shall implement formal procedures to control access to its systems, services, and data, including, but not limited to, user account management procedures and the following controls:
 - a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of properly configured firewalls;
 - b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization, and event logging;
 - c. Applications will include access control to limit user access to information and application system functions; and

⁷ Available at <http://www.csrc.nist.gov/>

d. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with incident response policies set forth below.

10. **Security Incident.** A "Security Incident" shall have the meaning given to such term in 45 C.F.R. § 164.304.

a. Contractor will promptly notify (but in no event more than twenty-four (24) hours after the detection of a Security Incident) the designated County security contact by telephone and subsequently via written letter of any potential or actual security attacks or Security Incidents.

b. The notice shall include the approximate date and time of the occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence. A Security Incident includes instances in which internal personnel access systems in excess of their user rights or use the systems inappropriately.

c. Upon request, Contractor will provide a report of all relevant Security Incidents related to the Agreement, noting the actions taken. This will be provided via a written letter to the County security representative. County or its third-party designee may, but is not obligated, perform audits and security tests of Contractor's environment that may include, but are not limited to, interviews of relevant personnel or review of documentation, as they relate to the receipt, maintenance, use, retention, and authorized destruction of Personally Identifiable Information, Protected Health Information, and County Confidential Information.

d. Notwithstanding any provision of this Section 10 to the contrary, to the extent there is a conflict with the terms of the Business Associate Agreement and any terms of this Section 10, the Business Associate Agreement will prevail.

11. **Contractor Security Audits.** Contractor shall conduct annual independent security audits listed below in subsections (a) and (b). Contractor shall provide to County a summary of: (1) the results of the security audits; and (2) the corrective actions or modifications, if any, Contractor will implement in response to such audits. Where there is a conflict with the terms of the Business Associates Agreement (BAA) the BAA shall prevail.

a. One of the following: HITRUST Common Security Framework (CSF), ISO 27001:2013 (Information Security Management), or other audit(s) as approved by the County Health Agency's Chief Information Security Officer or designee. – Contractor-wide. A full recertification is conducted every three (3) years with surveillance audits annually.

(i) **External Audit** – Audit conducted by non-Contractor personnel, to assess Contractor's level of compliance to applicable regulations, standards, and contractual requirements.

(ii) **Internal Audit** – Audit conducted by qualified Contractor Personnel (or contracted designee) not responsible for the area of review, of Contractor organizations, operations, processes, and procedures, to assess compliance to and effectiveness of Contractor's Quality System ("CQS") in support of applicable regulations, standards, and requirements.

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- (iii) **Supplier Audit** – Quality audit conducted by qualified Contractor Personnel (or contracted designee) of product and service suppliers contracted by Contractor for internal or Contractor client use.
 - (iv) **Detailed findings** – are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to County as provided above and the ISO certificate is published on Contractor’s website.
- b. SSAE-16 (formerly known as SAS -70 II) or other audit(s) as approved by the County Health Agency’s Chief Information Security Officer or designee – As to the Hosting Services only:
- (i) Audit spans a full twelve (12) months of operation and is produced annually.
 - (ii) The resulting detailed report is available to County.
 - (iii) Detailed findings are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to County as provided above.

12. **Security Audits.** In addition to the audits described in Section 11 (Contractor Security Audits), during the Term of this Agreement, County or its third-party designee may annually, or more frequently as agreed in writing by the Parties, request a security audit (e.g., attestation of security controls) of Contractor's data center and systems. The audit will take place at a time mutually agreed to by the Parties, but in no event on a date more than ninety (90) days from the date of the request by County. County's request for security audit will specify the areas (e.g., Administrative, Physical and Technical) that are subject to the audit and may include but not limited to physical controls inspection, process reviews, policy reviews evidence of external and internal vulnerability scans, penetration tests results, evidence of code reviews, and evidence of system configuration and audit log reviews. County shall pay for all third-party costs associated with the audit. It is understood that summary data of the results may filtered to remove the specific information of other Contractor customers such as IP address, server names, etc. Contractor shall cooperate with County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. Any of the County's regulators shall have the same right upon request, to request an audit as described above. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

13. **Confidentiality**

a. Except as provided in Section 13(b) (Exclusions) below, each Party agrees that all information supplied by one Party and its affiliates and agents (collectively, the “Disclosing Party”) to the other (“Receiving Party”) including, without limitation, (a) source code, prices, trade secrets, mask works, databases, designs and techniques, models, displays and manuals results of audits or system testing; (b) any unpublished information concerning research activities and plans, marketing or sales plans, sales forecasts or results of marketing efforts, pricing or pricing strategies, costs, operational techniques, or strategic plans, and unpublished financial information, including information concerning revenues, profits, and profit margins; (c) any information relating to County’s customers, patients, business partners, or personnel; (d) Personally Identifiable Information (as defined below); and (e) Protected Health Information, as specified in Exhibit H (Business Associate Agreement), will be deemed confidential and proprietary to the Disclosing Party, regardless of whether such information was disclosed

intentionally or unintentionally or marked as “confidential” or “proprietary” (“Confidential Information”). The foregoing definition shall also include any Confidential Information provided by either Party’s contractors, subcontractors, agents, or vendors. To be deemed “Confidential Information”, trade secrets and mask works must be plainly and prominently marked with restrictive legends.

b. **Exclusions.** Confidential Information will not include any information or material, or any element thereof, whether or not such information or material is Confidential Information for the purposes of this Agreement, to the extent any such information or material, or any element thereof: (a) has previously become or is generally known, unless it has become generally known through a breach of this Agreement or a similar confidentiality or non-disclosure agreement, obligation or duty; (b) was already rightfully known to the Receiving Party prior to being disclosed by or obtained from the Disclosing Party as evidenced by written records kept in the ordinary course of business or by proof of actual use by the Receiving Party, (c) has been or is hereafter rightfully received by the Receiving Party from a third-party (other than the Disclosing Party) without restriction or disclosure and without breach of a duty of confidentiality to the Disclosing Party; or (d) has been independently developed by the Receiving Party without access to Confidential Information of the Disclosing Party. It will be presumed that any Confidential Information in a Receiving Party’s possession is not within exceptions (b), (c) or (d) above, and the burden will be upon the Receiving Party to prove otherwise by records and documentation.

c. **Treatment of Confidential Information.** Each Party recognizes the importance of the other Party’s Confidential Information. In particular, each Party recognizes and agrees that the Confidential Information of the other is critical to their respective businesses and that neither Party would enter into this Agreement without assurance that such information and the value thereof will be protected as provided in this Section 13 (Confidentiality) and elsewhere in this Agreement. Accordingly, each Party agrees as follows: (a) the Receiving Party will hold any and all Confidential Information it obtains in strictest confidence and will use and permit use of Confidential Information solely for the purposes of this Agreement. Without limiting the foregoing, the Receiving Party shall use at least the same degree of care, but no less than reasonable care, to avoid disclosure or use of this Confidential Information as the Receiving Party employs with respect to its own Confidential Information of a like importance; (b) the Receiving Party may disclose or provide access to its responsible employees, agents, and consultants who have a need to know and may make copies of Confidential Information only to the extent reasonably necessary to carry out its obligations hereunder; and (c) the Receiving Party currently has, and in the future will maintain in effect and enforce, rules and policies to protect against access to or use or disclosure of Confidential Information other than in accordance with this Agreement, including without limitation written instruction to and agreements with employees, agents, or consultants who are bound by an obligation of confidentiality no less restrictive than set forth in this Agreement to ensure that such employees, agents, and consultants protect the confidentiality of Confidential Information, including this Section 13 (Confidentiality) and Exhibit J (Acknowledgement, Confidentiality and Assignment Agreement). The Receiving Party will require its employees, agents, and consultants not to disclose Confidential Information to third-parties, including without limitation customers, subcontractors, or consultants, without the Disclosing Party’s prior written consent, will notify the Disclosing Party immediately of any unauthorized disclosure or use, and will cooperate with

the Disclosing Party to protect all proprietary rights in and ownership of its Confidential Information.

d. **Non-Exclusive Equitable Remedy.** Each Party acknowledges and agrees that due to the unique nature of Confidential Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach or threatened breach may allow a Party or third-parties to unfairly compete with the other Party resulting in irreparable harm to such Party, and therefore, that upon any such breach or any threat thereof, each Party will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies either of them might have at law or equity. Any breach of this Section 13 (Confidentiality) shall constitute a material breach of this Agreement and be grounds for immediate termination of this Agreement in the exclusive discretion of the non-breaching Party.

e. **Compelled Disclosures.** To the extent required by applicable law or by lawful order or requirement of a court or governmental authority having competent jurisdiction over the Receiving Party, the Receiving Party may disclose Confidential Information in accordance with such law or order or requirement, subject to the following conditions: as soon as possible after becoming aware of such law, order, or requirement and prior to disclosing Confidential Information pursuant thereto, the Receiving Party will so notify the Disclosing Party in writing and, if possible, the Receiving Party will provide the Disclosing Party notice not less than five (5) Business Days prior to the required disclosure. The Receiving Party will use reasonable efforts not to release Confidential Information pending the outcome of any measures taken by the Disclosing Party to contest, otherwise oppose, or seek to limit such disclosure by the Receiving Party and any subsequent disclosure or use of Confidential Information that may result from such disclosure. The Receiving Party will cooperate with and provide assistance to the Disclosing Party regarding such measures. Notwithstanding any such compelled disclosure by the Receiving Party, such compelled disclosure will not otherwise affect the Receiving Party's obligations hereunder with respect to Confidential Information so disclosed.

f. **County Data.** All of the County Confidential Information, data, records, and information of County to which Contractor has access, or otherwise provided to Contractor under this Agreement ("County Data"), shall be and remain the property of County and County shall retain exclusive rights and ownership thereto. The data of County shall not be used by Contractor for any purpose other than as required under this Agreement, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.

g. **Personally Identifiable Information.** "Personally Identifiable Information" shall mean any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personally Identifiable Information shall include, but not be limited to, all "nonpublic personal information," as defined under the Gramm-Leach-Bliley Act (15 United States Code ("U.S.C.") §6801 et seq.), Protected Health Information, and "Personally Identifiable Information" as that

term is defined in California Civil Code section 1798.29 and EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data.

i. **Personally Identifiable Information.** In connection with this Agreement and performance of the services, Contractor may be provided or obtain, from County or otherwise, Personally Identifiable Information pertaining to County's current and prospective personnel, directors and officers, agents, subcontractors, investors, patients, and customers and may need to process such Personally Identifiable Information and/or transfer it, all subject to the restrictions set forth in this Agreement and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the services.

ii. **Treatment of Personally Identifiable Information.** Without limiting any other warranty or obligations specified in this Agreement, and in particular the Confidentiality provisions of the Agreement, during the Term of this Agreement and thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personally Identifiable Information in any manner and will not disclose, distribute, sell, share, rent, or otherwise retain any Personally Identifiable Information to any third-party, except as expressly required to perform its obligations in this Agreement or as Contractor may be expressly directed in advance in writing by County. Contractor represents and warrants that Contractor will use and process Personally Identifiable Information only in compliance with (a) this Agreement, (b) County's then current privacy policy, and (c) all applicable local, state, and federal laws and regulations (including, but not limited to, current and future laws and regulations relating to spamming, privacy, confidentiality, data security, and consumer protection).

iii. **Retention of Personally Identifiable Information.** Contractor will not retain any Personally Identifiable Information for any period longer than necessary for Contractor to fulfill its obligations under this Agreement. As soon as Contractor no longer needs to retain such Personally Identifiable Information in order to perform its duties under this Agreement, Contractor will promptly return or destroy or erase all originals and copies of such Personally Identifiable Information.

h. **Return of Confidential Information.** On Disclosing Party's written request or upon expiration or termination of this Agreement for any reason, Receiving Party will promptly: (a) return or destroy, at Disclosing Party's option, all originals and copies of all documents and materials it has received containing Disclosing Party's Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Agreement; and (c) deliver or destroy, at Disclosing Party's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Receiving Party, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 13(a), and provide a notarized written statement to Disclosing Party certifying that all documents and materials referred to in Subsections 13(a) and (b) have been delivered to Disclosing Party or destroyed, as requested by Disclosing Party.

Exhibit I.2

Web Application Secure Coding Standards



Web Application Secure Coding Standards

Version 2.0

Reference: 6.100 - Information Technology and Security Policy
6.101 - Use of County Information Technology Resources

Developed by: Security Engineering Team - Applications Security

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1.0 Purpose

This technology agnostic document defines the required secure coding standards. These standards implement the security requirements that are within the County Application Security Development Lifecycle Standards. Writing secure code reduces the risks of introducing software defects responsible for causing vulnerabilities and improves the quality of the software.

For E-Commerce applications, the County has a master agreement with a third-party vendor, which provides a hosted environment. They are compliant with the Payment Card Industry (PCI) data security standard (See intranet site at: http://web.co.la.ca.us/lacounty/ecommerce/cms1_029102.pdf).

2.0 Common Vulnerabilities In Web Applications

The term “vulnerability” implies a weakness or a flaw in design, development, or configuration that if exploited, can adversely affect an organization's security posture. Knowledge of software vulnerabilities can help developers to identify and manage risks in existing code.

The following is the OWASP Top 10 Application Security Risk list. The Top 10 provides basic techniques to protect against these high risks problem areas.

https://www.owasp.org/index.php/Category:OWASP_Top_Ten_Project

1: Injection

2: Broken Authentication and Session Management

3: Cross-Site Scripting (XSS)

4: Insecure Direct Object References

5: Security Misconfiguration

6: Sensitive Data Exposure

7: Missing Function Level Access Control

8: Cross-Site Request Forgery (CSRF)

9: Using Known Vulnerable Components

10: Unvalidated Redirects and Forwards

3.0 Application Secure Coding Requirements and Checklist

The best place to defend against web application attacks is within the source code itself.

Regardless of the programming language or techniques used for development, the following checklist must be implemented by the developer at the time the application is being developed.

This checklist must also be used to verify software security after an update in the application to accept additional functionality or to store/access data of greater sensitivity.

Completed checklist(s) with deviations from the Standards are to be documented, reviewed and approved by the appropriate Manager and/or the Departmental Information Security Officer (DISO).

The following defines the settings used in the checklist:

Mandatory (M) - All Mandatory settings must be applied.

Recommended (R) - All Recommended settings should be applied unless the business operation is severely impacted.

Sensitive/Confidential Applications – Applications that store, process, or communicate sensitive/confidential information (e.g., electronic protected health information (ePHI), personally identifiable information (PII) or other classified data defined by the business owner).

General Applications – Applications that do not store, process, or communicate sensitive/confidential information.

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.0	GENERAL CODING PRACTICES		
3.0.1	Use tested and approved managed code for common tasks rather than creating new code.	M	M
3.0.2	Utilize task specific built-in APIs (Application Programming Interface) to conduct operating system tasks. Do not allow the application to issue commands directly to the operating system, especially through the use of application initiated command shells.	M	M
3.0.3	Use checksums or hashes to verify the integrity of interpreted code, libraries, executables, and configuration files.	R	R
3.0.4	Utilize locking to prevent multiple simultaneous updates and use a queuing mechanism to prevent race condition.	M	M
3.0.5	Avoid using global shared variables whenever possible.	M	M
3.0.6	Explicitly initialize all your variables and other data stores, either during declaration or just before the first usage.	M	M
3.0.7	In cases where the application must run with elevated privileges, raise privileges as late as possible, and drop them as soon as possible.	M	M
3.0.8	Do not pass user supplied data to any dynamic execution function.	M	M
3.0.9	Review all secondary applications, third party code and libraries (e.g., anti-cross site scripting library) to determine business necessity and validate safe functionality, as these can introduce new vulnerabilities.	R	R
3.0.10	Test the application code with a web application scanner to detect vulnerabilities.	M	M
3.0.11	All queries must be parameterized to prevent SQL injection.	M	M
3.1	INPUT VALIDATION		
3.1.1	Data is checked on both the client and server side.	M	M
3.1.2	Conduct all data validation on a trusted system (e.g., The server)	M	M
3.1.3	Validate all incoming data regardless of the source (e.g., Databases, file streams, etc.)	M	M
3.1.4	There should be a centralized routine for server-side input validation for the application.	M	M
3.1.5	Specify proper character sets, such as UTF-8, for all sources of input.	M	M
3.1.6	Encode data to a common character set before validating (canonicalize). All URL and HTML encoded characters are interpreted (%3c becomes <). All Unicode or alternate encoded characters are placed in their expected character representation.	M	M
3.1.7	If the system supports UTF-8 extended character set, validate after UTF-8 decoding is completed.	M	M
3.1.8	All validation failures should result in input rejection.	M	M
3.1.9	Validate all client provided data before processing, including all parameters, URLs and HTTP header content (e.g., Cookie names and value). Be sure to include automated post backs from JavaScript, flash or other embedded code.	M	M

Secure Coding Requirements Checklist		General Applications	Sensitive /Confidential Applications
3.1.10	Verify that header values in both requests and responses contain only ASCII characters.	R	M
3.1.11	Validate data from redirects (an attacker may submit malicious content directly to the target of the redirect, thus circumventing application logic and any validation performed before the redirect)	M	M
3.1.12	Data is strongly typed. Expected input is matched to a data type such as: varchar, integer, string, Boolean, or a custom type.	M	M
3.1.13	Validate data range.	M	M
3.1.14	Validate data length. For example, if usernames can be no longer than 12 characters, then a 15-character username is not accepted. This also applies to columns in which the data is stored in the database.	M	M
3.1.15	Validation filters are applied to the entire input string. In regular expressions, this means the caret (^) and dollar sign (\$) are placed at the beginning and end of the regular expression.	M	M
3.1.16	Validate all input against a “white” list of allowed characters, whenever possible.	M	M
3.1.17	Data is checked for valid content. The value of a parameter is checked for correctness. For example, a U.S. state abbreviation is a string, but can only be one of 51 possible combinations.	M	M
3.1.18	If any potentially hazardous characters must be allowed as input, additional controls must be implemented, like output encoding, secure task specific APIs and accounting for the utilization of that data throughout the application. Examples of common hazardous characters include: < > “ ‘ % () & + \\' \”	M	M
3.2	SESSION MANAGEMENT		
3.2.1	Use the server or framework’s session management controls. The application should only recognize these session identifiers as valid.	R	R
3.2.2	When the session ID must be created, it must be created securely (e.g., on a trusted system such as the server). Session ID are derived from a sufficiently pseudo-random pool to prevent spoofing attacks. Use well vetted algorithms that ensure sufficiently random session identifiers. Use high entropy (unpredictable) long session identifiers.	M	M
3.2.3	Disallow persistent logins (e.g., “remember me” feature using cookies)	R	M
3.2.4	Enforce idle session termination. Termination time should support business requirements and the user should receive sufficient notification to mitigate negative impacts.	M	M
3.2.5	A user may have only one active session at any given time. Any pre-existing session for the user must be terminated after successful login.	M	M
3.2.6	The application must track and prevent concurrent logins. This can stop session hijacking and session replay attacks.	M	M
3.2.7	Generate a new session identifier on any re-authentication.	M	M
3.2.8	Generate a new session identifier and delete the old one periodically during an active session.	R	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.2.9	Generate a new session identifier if a user’s privileges or role changes.	M	M
3.2.10	Generate a new session identifier if the connection security changes from HTTP to HTTPS as can occur during authentication.	M	M
3.2.11	Within an application, it is recommended to consistently utilize HTTPS rather than switching between HTTP to HTTPS.	R	M
3.2.12	Do not expose session identifiers in URLs, error messages or logs. Session identifiers should only be located in the HTTP cookie header (e.g., do not pass session identifiers as GET parameters).	M	M
3.2.13	Only utilize the system generated session identifiers for client side session management. Avoid using parameters or other client data for state management.	M	M
3.2.14	Supplement standard session management for <u>highly sensitive or critical operations</u> by utilizing per-request, as opposed to per-session, strong random identifier or parameters.		M
3.2.15	Authorization permissions are tied to the session object, not tracked by separate identifier. This can prevent privilege escalation attacks.	M	M
3.2.16	Set the domain and path for cookies containing authenticated session identifiers to an appropriately restricted value for the site. This restrictions allows browsers to only send cookie information back to the server for the given domain and path.	R	R
3.2.17	Set cookies with the HttpOnly attribute, unless you specifically require client-side scripts within your application to read or set a cookie’s value.	M	M
3.2.18	Logout functionality must be available from all pages.	M	M
3.2.19	Logout functionality should fully terminate the associated session or connection.	M	M
3.2.1	Enforce the changing of temporary passwords on the next use.	M	M
3.3	ACCESS CONTROL		
3.3.1	Use only trusted system objects, e.g., server side session objects, for making access authorization decisions.	M	M
3.3.2	Use a single site-wide component to check access authorization. This includes libraries that call external authorization services.	M	M
3.3.3	Access controls should fail securely such that if they are not working properly, access to the resources are denied by default.	M	M
3.3.4	Enforce authorization controls on every request, including those made by server side scripts, “includes” and requests from rich client-side technologies like AJAX and Flash.	R	M
3.3.5	Segregate privileged access control code from other application code.	M	M
3.3.6	Restrict access to files or other resources, including those outside the application’s direct control, to only authorized users.	M	M
3.3.7	Restrict access to protected URLs to only authorized users.	M	M
3.3.8	Restrict access to protected functions to only authorized users.	M	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.3.9	Restrict direct object references to only authorized users.	M	M
3.3.10	Restrict access to services to only authorized users.	M	M
3.3.11	Restrict access to application data to only authorized users.	M	M
3.3.12	Restrict access to user and data attributes and policy information used by access controls.	M	M
3.3.13	Server side implementation and presentation layer representations of access control rules must match.	M	M
3.3.14	If state data must be stored on the client, use encryption and integrity checking on the server side to catch state tampering.	M	M
3.3.15	Limit the number of transactions a single user or device can perform in a given period of time. The transactions/time should be above the actual business requirement, but low enough to deter automated attacks.	M	M
3.3.16	Use the “referer” header as a supplemental check only. It should never be the sole authorization check as it can be spoofed.	M	M
3.3.17	If long authenticated sessions are allowed, periodically re-validate a user’s authorization to ensure that their privileges have not changed and if they have, log the user out and force them to re-authenticate.	R	M
3.3.18	Implement account auditing and enforce the disabling of unused accounts (e.g., 30 days from the expiration of an account’s password)	M	M
3.3.19	The application must support disabling of accounts and terminating sessions when authorization ceases (e.g., employment status)	M	M
3.3.20	Service accounts or accounts supporting connections to or from external systems should have the least privilege possible.	M	M
3.4	DATABASE SECURITY		
3.4.1	The application must use the lowest possible level (least) of privilege when accessing the database.	M	M
3.4.2	The application with sensitive data must communicate with the database over an encrypted channel.	R	M
3.4.3	Use secure credentials that meet the County’s password complexity requirements for database access.	M	M
3.4.4	Remove or change all default database administrative passwords. Utilize strong passwords/phrases or implement multi-factor authentication.	M	M
3.4.5	Make use of the Data Access Layer (DAL) to interface with the database, (e.g., stored procedures, parameterized queries, etc.) to prevent direct database access.	M	M
3.4.6	Remove unnecessary default vendor content (e.g., sample schemas)	M	M
3.4.7	Disable any default accounts that are not required to support business requirements.	M	M
3.4.8	Utilize input validation and output encoding and be sure to address meta characters. If these fail, do not run the database command.	M	M
3.4.9	Ensure that variables are strongly typed.	M	M
3.4.10	Use strongly typed parameterized queries.	M	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.4.11	If the application uses functional error handling for database connections (e.g., TRY CATCH block), its use must be comprehensive and thorough.	M	M
3.4.12	Do not hard code connection credentials. They must be stored in an encrypted manner. Access to files containing connection credential must be restricted. Whenever possible, the file should be stored outside the web document root.	M	M
3.4.13	Do not hard code connection strings within the application. Connection strings should be encrypted and stored in a separate configuration file on a trusted system.	M	M
3.4.14	The application must connect to the database with different credentials for every trust distinction (e.g., user, read-only user, guest, administrators).	R	M
3.4.15	Use stored procedures to abstract data access and allow for the removal of permissions to the tables in the database.	M	M
3.4.16	Use parameterized SQL statements. Do not use string concatenation or string replacement to build SQL statements.	M	M
3.4.17	Terminate the connection as soon as possible.	M	M
3.5	AUTHENTICATION and PASSWORD MANAGEMENT		
3.5.2	Temporary passwords and verification links should have a short expiration time (e.g., 1 day)	M	M
3.5.3	All passwords must be unique and meet the County password standards.	M	M
3.5.4	Provide feedback on the strength of passwords when it is being created for the first time.	R	R
3.5.5	Authentication uses a challenge-response mechanism to reduce (but not block) the effectiveness of sniffing attacks.	R	R
3.5.6	Username and/or Password should not be based on full or partial Social Security Number (SSN). Current applications using SSN as a form of identification should only use the last four digits.	M	M
3.5.7	For external public facing applications, the initial user enrollment process must require the input of a minimum of two pieces of private information to be used for user identification and password reset.	M	M
3.5.8	When obtaining answers to the security questions, a message should be posted warning the user not to use publicly known information (e.g., pet's name on a social network page).	R	R
3.5.9	After authentication, the application should track the hashed value based on the session instead of the user's password.	R	M
3.5.10	Use only POST requests to transmit authentication credentials.	M	M
3.5.11	Segregate authentication login and use redirection after login.	R	M
3.5.12	All authentication controls should fail securely (e.g., session is terminated)	M	M
3.5.13	Sensitive user actions must require a two-factor authentication process.	R	M
3.5.14	Send password over an encrypted connection.	M	M

Secure Coding Requirements Checklist		General Applications	Sensitive /Confidential Applications
3.5.15	Password entry must be obscured on the user’s screen. (e.g., on web forms use the input type “Password”)	M	M
3.5.16	Passwords must be stored using non-reversible encryption.	M	M
3.5.17	If a user forgets their password, then a password reset function will generate a new temporary password delivered to the user in a secure manner.	M	M
3.5.18	An administrative function should be provided to improve monitoring of password reset activity.	R	R
3.5.19	Use a salted version of a cryptographically strong one-way hash algorithm for password credential hashes, such as SHA-256. Do not use the MD5 algorithm if it can be avoided.	R	M
3.5.20	Enforce account lockout policy (e.g., disable account after an established number of invalid login attempts within a period of time).	M	M
3.5.21	The application should employ a secure protocol (e.g., https, TSL) for transmission of sensitive data such as user authentication credentials.	M	M
3.5.22	Error conditions should not indicate which part of the authentication data was incorrect. For example, instead of “Invalid username” or “Invalid password”, just use “Invalid username and/or password” for both.	M	M
3.5.23	If using third party code for authentication, inspect the code carefully to ensure it is not affected by any malicious code.	M	M
3.5.24	Use context to add security to authentication (e.g., device ID, IP location).	R	M
3.6	OUTPUT ENCODING		
3.6.1	Implement all output encoding on the server side.	M	M
3.6.2	Utilize a standard, tested routine for each type of outbound encoding.	M	M
3.6.3	Verify that all output data are properly sanitized and escaped/encoded (including HTML elements, attributes, JavaScript data values, CSS Blocks, and URI attributes, SQL, XML, LDAP, and operating systems commands) for the application context.	M	M
3.7	ERROR HANDLING and LOGGING		
3.7.1	Do not disclose sensitive information in error responses, including system details, session identifiers or account information.	M	M
3.7.2	Do not store sensitive information in logs, including unnecessary system details, session identifiers or passwords.	M	M
3.7.3	Use error handlers that do not display debugging or stack trace information.	M	M
3.7.4	Implement generic error messages and use custom error pages	M	M
3.7.5	The application should handle application errors and not rely on the server configuration	M	M
3.7.6	Properly free allocated memory when error conditions occur.	M	M
3.7.7	Error handling logic associated with security controls should deny access by default.	M	M
3.7.8	All logging controls should be implemented on a trusted system (e.g., The server).	M	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.7.9	Any logs that are generated must be sent to a centralized location for storage. This central log server must employ the strictest level of security, restricting access to logs to only authorized individuals.	M	M
3.7.10	The application must write to a custom error log which will provide useful information for debugging the application as well as identifying malicious activity.	M	M
3.7.11	Centralized logs from 3.7.8 must be sent to the central log server over an encrypted channel.	M	M
3.7.12	Logging controls should support both success and failure of specified security events.	M	M
3.7.13	Ensure log entries that include un-trusted data will not execute as code in the intended log viewing interface or software.	M	M
3.7.14	Ensure logs contain important log event data:		
	a. Log all input validation failures.	R	M
	b. Log all authentication attempts.	M	M
	c. Log all access control failures.	M	M
	d. Log all apparent tampering events, including unexpected changes to state data	M	M
	e. Log attempts to connect with invalid or expired session ID.	M	M
	f. Log all system exceptions.	M	M
	g. Log all administrative functions, including changes to the security configuration settings.	M	M
	h. Log all backend TLS (Transport Layer Security) connection failures.	M	M
	i. Log cryptographic module failures	M	M
3.7.15	Use a cryptographic hash function to validate log entry integrity	R	M
3.8	APPLICATION AUDIT EVENTS		
3.8.1	The user ID and source IP address is recorded for authentication success and failure.	M	M
3.8.2	The user ID and source IP address is recorded for each modification of sensitive profile information (i.e., SSN, home address, etc.).	M	M
3.8.3	The user ID and source IP address is recorded for each access to financial information.	M	M
3.8.4	Log for malicious input (i.e., for SQL injection, input validation, and buffer overflow attacks).	M	M
3.8.5	Log attempts to connect with invalid or expired session identifiers.	M	M
3.8.6	The information recorded for each event should be enough to identify a user and the associated activities.	M	M
3.9	FILE MANAGEMENT		
3.9.1	Do not pass user supplied data directly to any dynamic include function.	M	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.9.2	Do not pass user supplied data into a dynamic redirect. If this must be allowed, then the redirect should accept only validated relative path URLs.	M	M
3.9.3	Do not pass directory or file paths. Use index values mapped to pre-defined list of paths.	M	M
3.9.4	File references should remove all directory traversal characters. Never send the absolute file path to the client.	M	M
3.9.5	Limit the type of files that can be uploaded to only those types that are needed for business purposes to prevent malicious embedded code.	M	M
3.9.6	Require verification such as authentication or CAPTCHA before allowing a file to be uploaded.	M	M
3.9.7	Validate that the uploaded files are the expected type by checking file headers. Checking for file type by extension alone is not sufficient.	M	M
3.9.8	Implement file size upload restriction to prevent rogue uploads from filling up the drive space.	M	M
3.9.9	Do not save files in the same web context as the application. Files should either go to the content server or in the database.	M	M
3.9.10	Prevent or restrict the uploading of any file that may be interpreted and executed by the web server.	M	M
3.9.11	Turn off execution privileges on file upload directories. Ensure application files and resources are read-only.	M	M
3.9.12	When referencing existing files, use a “whitelist” of allowed file names and types. Validate the value of the parameter being passed and reject it if it does not match one of the expected values.	M	M
3.9.13	Files are only retrieved from a specific directory which does not contain application code.	M	M
3.10	MEMORY MANAGEMENT (If Applicable)		
3.10.1	Ensure that the buffer size is as large as specified.	M	M
3.10.2	Check buffer boundaries to prevent writing beyond the allocated buffer size.	M	M
3.10.3	Check buffer boundaries if calling the function in a loop and make sure there is no danger of writing past the allocated buffer size.	M	M
3.10.4	Truncate all input strings to a reasonable length before passing them to the copy and concatenation functions.	M	M
3.10.5	Specifically close resources, don't rely on garbage collection. (e.g., connection objects, file handles, etc.)	M	M
3.10.6	Use non-executable stacks when available.	M	M
3.10.7	Avoid the use of known vulnerable functions (e.g., printf, strcat, strcpy, etc.)	M	M
3.10.8	Properly free allocated memory upon the completion of functions and at all exit points.	M	M
3.11	DATA PROTECTION		
3.11.1	Implement least privilege; restrict users to only the functionality, data and system information that is required to perform their tasks.	M	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.11.2	Protect all cached or temporary copies of sensitive data stored on the server from unauthorized access and purge those temporary working files as soon as they are no longer required.	R	M
3.11.3	Encrypt highly sensitive stored information, such as authentication verification data, even on the server side.	M	M
3.11.4	Encryption and MAC (message authentication code) must be applied to cookies or fields with sensitive data.	M	M
3.11.5	Protect server-side source code from being downloaded by a user.	M	M
3.11.6	Remove comments in user accessible production code that may reveal backend system or other sensitive information.	M	M
3.11.7	Remove unnecessary application and system documentation as this can reveal useful information to attackers.	M	M
3.11.8	Do not include sensitive information in HTTP GET request parameters.	M	M
3.11.9	Disable auto complete features on forms expected to contain sensitive information, including authentication.	M	M
3.11.10	Disable client side caching on pages containing sensitive information.	M	M
3.11.11	Implement appropriate access controls for sensitive data stored on the server. This includes cached data, temporary files and data that should be accessible only by specific users.	M	M
3.12	COMMUNICATION SECURITY (For System Administrators)		
3.12.1	TLS certificates should be valid and have the correct domain name, not be expired, and be installed with intermediate certificates when required.	R	M
3.12.2	Failed TLS connections should not fall back to an insecure connection.	M	M
3.12.3	Utilize TLS connections for all content requiring authenticated access and for all other sensitive information.	M	M
3.12.4	Utilize TLS for connections to external systems that involve sensitive information or functions.	M	M
3.12.5	Utilize a single standard TLS implementation that is configured appropriately.	M	M
3.12.6	Specify character encodings for all connections.	R	M
3.12.7	Filter parameters containing sensitive information from the HTTP referrer, when linking to external sites.	M	M
3.13	WEB SERVER CONFIGURATION (For System Administrators)		
3.13.1	The security configuration for the application should be able to be output in human readable form to support auditing.	M	M
3.13.2	Disable unnecessary HTTP methods, such as WebDAV extensions.	M	M
3.13.3	Remove all unnecessary functionality and files.	M	M
3.13.4	Remove test code or any functionality not intended for production, prior to deployment.	M	M
3.13.5	Turn off directory listings.	M	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
3.13.6	Configure server to prevent leaking of information such as version, patch revision, etc. to clients. Ex: on Apache, set ServerTokens Prod and ServerSignature Off in httpd.conf	M	M

4.0 Mobile Application Security Requirements

A mobile application is an application that resides on a mobile device and leverages server-side resources. In addition to the security requirements stated in this document, mobile applications *must adhere* to the following controls and design principles to eliminate the most common mobile application vulnerabilities.

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
4.0	PROTECT SENSITIVE DATA AT REST Reference Section 3.11		
4.0.1	Sensitive data should be stored on the server instead of the client-side/mobile device. When storing sensitive data on the device is unavoidable, the application specific storage on the device must be encrypted.	R	M
4.0.2	Do not store information locally on the device beyond the period required by the application and business owner. Reference the Board Of Supervisors (BOS) Policy 3.040.	M	M
4.0.3	Do not store temporary/cached data in a world readable directory. Applications should delete temporary/cached data automatically when it is no longer in use to prevent sensitive data from remaining in cache indefinitely.	M	M
4.0.4	Use a randomly-generated number instead of the device ID number as an identifier (e.g., session ID). Apply the same data minimization principles to application sessions as you would to http sessions and cookies.	M	M
4.0.5	Applications on managed devices should leverage remote wipe and kill switch APIs (OS-level or purpose-built) to remove sensitive information from the device in the event of theft or loss.	M	M
4.0.6	SMS, MMS or notifications should not be used to send sensitive data to or from mobile end-points.	R	R
4.2	HANDLE PASSWORD CREDENTIALS SECURELY Reference Section 3.1		
4.2.1	Do not embed any passwords in the application. Do not use a generic shared password for integration with the backend (i.e., password embedded in code). Mobile application binaries can be easily downloaded and reverse engineered.	M	M
4.2.2	In case passwords need to be stored on the device, leverage the encryption and key-store mechanisms provided by the mobile OS to securely store passwords, password equivalents and authentication tokens. Passwords must be stored in a salted hash format .	M	M
4.2.3	Ensure passwords and keys are not visible in cache or logs.	M	M
4.2.4	Provide the ability for the mobile user to change/remove passwords on the device.	M	M
4.2.5	Consider using authentication tokens (e.g., County RSA SecurID Tokens) instead of passwords.	R	M
4.3	IMPLEMENT USER AUTHENTICATION AND SESSION MANAGEMENT Reference Section 3.2		
4.3.1	Use context to add security to authentication (e.g., device ID, geo-location).	R	M
4.3.2	Implement two factor authentications for applications giving access to sensitive data or interfaces where possible.	R	M
4.3.3	Use authentication that ties back to the end user's identity, rather than the device identity. Users maintain their own credentials and applications transmit the user's credentials to the server for authentication.	M	M

Secure Coding Requirements Checklist		General Applications	Sensitive /Confidential Applications
4.4 KEEP THE BACKEND API (Services) AND THE PLATFORM (Server) SECURE			
4.4.1	Carry out a specific check of your code for sensitive information (i.e., metadata, comments, file names) that may be unintentionally disclosed, such as when information is transferred between the mobile device and web-server back-end and other external interfaces.	M	M
4.4.2	All back-end services (e.g., REST/Web Services) for mobile applications should be tested for vulnerabilities periodically using static code analyzer tools and fuzzing tools for testing and finding security flaws.	M	M
4.4.3	Ensure that the back-end platform (server) is running with a hardened configuration with the latest security patches regularly applied to the OS, web server and other application components.	M	M
4.4.4	Ensure adequate and secured logs are retained on the back-end in order to detect and respond to incidents and perform forensics (e.g., within the limits of data protection law).	M	M
	Ensure that input is entered by a person and not a script by employing techniques such as image validation and CAPTCHA .	M	M
4.4.5	Reduce the risk from DDoS attacks by employing rate limiting and throttling on a per-user/IP basis.	M	M
4.4.6	Test for DoS vulnerabilities where the server may become overwhelmed by certain resource intensive application calls.	M	M
	Plan for post deployment optimization with the deployment team to ensure the connection string timeouts are optimized to strike a balance between allowing legitimate application calls and timing out on possible malicious application calls.	R	M
4.4.7	Perform testing of the backend Web Service, REST or API to determine whether vulnerabilities exist. Perform abuse case testing, in addition to use case testing.	M	M
4.5 SECURE DATA INIEGRATION WITH THIRD PARTY SERVICES AND APPLICATIONS			
4.5.1	Test and verify the security/authenticity of any third party code/libraries used in your mobile application prior to incorporation within an application (e.g., reliable source, vendor supported, no backend trojans, licensing terms/agreement).	M	M
4.5.2	Track all third party frameworks/APIs used in the mobile application for security patches (e.g., subscribe to vendor listserv). A corresponding security update/release must be done for the mobile applications using these third party APIs/frameworks.	M	M
4.5.3	All data received from and sent to third party applications must be validated before processing in an application.	M	M
4.6 IMPLEMENT CONTROLS TO PREVENT UNAUTHORIZED ACCESS TO PAID-FOR RESOURCES (e.g., wallet, SMS, NFC Payments, Phone calls)			
4.6.1	Maintain logs of access to paid resources in a non-reputable format and make them available to the end-user for review (e.g., signed receipt sent to server back-end). Logs should be protected from unauthorized access and manipulation.	M	M

	Secure Coding Requirements Checklist	General Applications	Sensitive /Confidential Applications
4.6.2	Check for abnormal usage patterns in paid resource usage and require re-authentication (e.g., significant changes in location, user language change).	M	M
4.6.3	Consider using a white-list model by default for paid resource addressing (e.g., address book only unless specifically authorized for phone calls).	M	M
4.6.4	Authenticate all API calls to paid resources (e.g. using an application developer certificate, API keys).	M	M
4.6.5	Ensure that wallet API callbacks do not pass clear text account/pricing/billing/item information.	M	M
4.6.6	Warn user and obtain consent for any cost implications for application behavior.	M	M
4.7	ENSURE SECURE DISTRIBUTION/PROVISIONING OF MOBILE APPLICATIONS		
4.7.1	Applications must be designed and provisioned to allow updates for security patches, taking into account the requirements for approval by app-stores and the extra delay this may incur.	M	M
4.7.2	Distributing applications through official app-stores provides a safety net in case issues or vulnerabilities are discovered in your application. Most app-stores are able to remove malicious applications from their store front at short notice in case of an incident.	M	M
4.7.3	Provide feedback channels for users to report security problems with applications (e.g., a security@ email address).	M	M
4.7.4	Developers should digitally sign their mobile applications to help end-users better distinguish between trusted versus potentially questionable code.	M	M
4.8	CAREFULLY CHECK ANY RUNTIME INTERPRETATION OF CODE FOR ERRORS		
4.8.1	Run interpreters at minimal privilege levels.	M	M
4.8.2	Define comprehensive escape syntax (e.g., try-catch routine) as appropriate.	M	M
4.8.3	Fuzz test (i.e., abuse case test) interpreters.	M	M
4.8.4	Sandbox interpreters.	M	M

4.1 Relevant general coding best practices:

The following are some of the most important general coding best practices, **particularly relevant to mobile coding**:

- To prevent SQL Injection, *parameterized queries* must be implemented.
https://www.owasp.org/index.php/Query_Parameterization_Cheat_Sheet
- Validate all inputs and outputs.
- Minimize lines and complexity of code where possible.
- Use safe, high-level development languages to avoid issues such as buffer-overflow.
- Use safe string functions to avoid buffer and integer overflow.
- Implement a security report handling point (e.g., security@example.com).
- Use static code analyzers and dynamic application scanners to find security flaws.
- Run applications with the minimum privilege required for the application on the operating system. Be aware of privileges granted by default by APIs and disable them.
- Never authorize code/application to execute with root/system administrator privilege.
- Remove all test code before releasing the application.
- Remove all comments from text-based code (e.g., HTML, CGI, scripting) prior to releasing the application.
- Perform abuse case testing, in addition to use case testing.
- Always perform testing as a standard user as well as a privileged user.
- Avoid opening application-specific listener ports on the client device. Use the communication mechanisms provided by the OS.
- Ensure logging is done appropriately but do not record excessive logs, especially those including sensitive user information.

4.2 Enterprise-specific Guidelines:

- If a business-sensitive application needs to be provisioned on a device, applications should enforce a higher security posture on the device, such as PIN, remote management/wipe, application monitoring.
- Device certificates can be used for stronger device authentication.
- Ensure that application testing properly simulates the enterprise's diverse user base and site locations.

5.0 References

- a) **Countywide Information Security Website**
<http://ciointranet.lacounty.gov/Pages/Security.aspx/>

The County's Information Security intranet website has a wealth of information regarding how to code secure applications as well as using a development methodology from Microsoft called the Security Development Lifecycle (SDL). SDL is similar in scope with the Systems Development Lifecycle (SDLC); however, it incorporates security protections at the beginning of the application lifecycle.

- b) **OWASP Secure Coding Practices – Quick Reference Guide**
[http://www.owasp.org/index.php/OWASP Secure Coding Practices - Quick Reference Guide](http://www.owasp.org/index.php/OWASP_Secure_Coding_Practices_-_Quick_Reference_Guide)

The guide is a technology agnostic set of general software security coding practices, in a comprehensive checklist format, that can be integrated into the development lifecycle. The focus is on secure coding requirements, rather than on vulnerabilities and exploits.

- c) **OWASP Mobile Security Project**
[https://www.owasp.org/index.php/OWASP Mobile Security Project](https://www.owasp.org/index.php/OWASP_Mobile_Security_Project)

The OWASP Mobile Security Project is a centralized resource intended to give developers and security teams the resources they need to build and maintain secure mobile applications. The goal is to classify mobile security risks and provide developmental controls to reduce their impact or likelihood of exploitation.

- d) **OWASP Web Application Security Testing Cheat Sheet**
[https://www.owasp.org/index.php/Web Application Security Testing Cheat Sheet](https://www.owasp.org/index.php/Web_Application_Security_Testing_Cheat_Sheet)

This cheat sheet provides a checklist of tasks to be performed when performing a blackbox security test of a web application.

- e) **The World Wide Web Security FAQ**
www.w3.org/Security/Faq

The World Wide Web Consortium (W3C) hosts this document as a service to the Web Community; however, it does not endorse its contents. However, it has a wealth of valuable information that includes FAQs for application security and general security information as well as client-side, server-side, CGI-Scripts, protecting confidential documents, and denial-of-service attacks.

f) **CERT Software Engineering Institute**
<http://www.cert.org/advisories/CA-1997-25.html>

The CERT Coordination Center has received reports and seen mailing list discussions of a problem with some CGI scripts, which allow an attacker to execute arbitrary commands on a WWW server under the effective user-id of the server process. The problem lies in how the scripts are written, NOT in the scripting languages themselves.

g) **<http://www.webopedia.com>**

This web site is very useful as a reference guide (e.g., encyclopedia) in identifying and gaining definitions of information technology related terms and acronyms. In other words, this site is dedicated to computer technology.

h) **<http://msdn.microsoft.com/en-us/magazine/gg309184.aspx>**

MSDN Security briefs – web application configuration security.

- i) **[Hack Notes: Web Security Portable Reference](#)**, Mike Shema; 174 pages, 2003, McGraw-Hill Companies. This book is an excellent resource that comprises information on how hackers break into web applications with a tool as fundamental as a web browser, guard against simple to complex web application attacks, strengthen web application security using a detailed methodology for testing and secure coding, as well as eliminate susceptibility to E-commerce, SQL injection, and input validation hacks.
- j) **[Writing Secure Code](#)**, Microsoft Second Edition, Michael Howard and David LeBlanc; 768 pages, 2003, Microsoft Press. This book is required reading at Microsoft, as indicated by Bill Gates. It covers practical strategies and techniques for secure application coding in a networked world.



Exhibit I.3

Application Security Requirements

Version 2.1

Reference: County Board of Supervisors Information Security Policies

Developed by: Security Engineering Team - Applications Security

Introduction

Security Requirements Goals and Objectives:

The Application Security Requirements outlines the overall security requirements that need to be addressed for every software application deployed and/or used by the County of Los Angeles. These requirements would apply to all County and externally hosted applications: County developed and third party developed applications.

These requirements include the overall security capabilities needed to support the business processes for County departments and agencies. At a minimum, these requirements will be used to track, test and monitor the overall System's security capabilities that shall consistently be met throughout the terms of the resultant agreement.

Requests for exceptions to any specific requirements within this requirement must be reviewed by IT Security and approved by the Departmental management. The request should specifically state the scope of the exception along with justification for granting the exception, the potential impact or risk attendant upon granting the exception, and risk mitigation measures to be undertaken by the project. The departmental management will review such requests, confer with the requesting project team and approve as appropriate.

Application Name and Brief Description: Revenue360 Eligibility Verification, Address and Demographic Validation:

Revenue360 is a server based transaction processing platform that runs on a Microsoft server hosted in an LACDHS data center. Revenue360 provides real-time insurance eligibility verification for all payers via integration with Cerner and Affinity, along with standalone eligibility, address and demographic validation via the Revenue360 intranet accessible web-based user interface, all using the ANSI X12 270/271 5010A1 standard transaction. Revenue360 is used primarily by LACDHS registration and revenue cycle staff by submitting requests from Cerner or Affinity, and viewing the responses returned within Cerner/Affinity.

- Eligibility is verified for California Medicaid via direct connect with the MediCal mainframe via HostBridge over the LACDHS WAN, which is maintained by ISD.
- Eligibility is verified for LACDHS Practice Management System via direct connect on the LACDHS WAN.
- Medicare and commercial payers are verified by sending transactions across the LADHS to Provider Advantage secure VPN connection.
- Address Validation confirms address deliverability and standardizes addresses to the USPS CASS standard by sending transactions across the LADHS to Provider Advantage secure VPN connection.
- Demographic Validation confirms, patient identity and current address and address deliverability by sending transactions across the LADHS to Provider Advantage secure VPN connection

Application Security Requirements

Revision Date: 10/06/2016

ISSUE APPROVED: 10/06/2016

County of Los Angeles Application Security Requirements

Application Owner Name

Application Owner Signature

Departmental Information Security Officer (DISO) Name:

DISO Signature

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County of Los Angeles Application Security Requirements

Section Number	Security Requirements	Meets RQMTS (Y/N)	Comments / Indicate Any Compensating Controls if Requirements Not Met
1.0	Secure Coding		
1.1	Comply with the County Application Secure Coding Standard	NA	Not internet accessible.
2.0	Software as a Service (SaaS), if applicable		
2.1	Comply with the County SaaS Security and Privacy Standard	NA	Not internet accessible.
3.0	Authentication (Login/Sign-on)		
3.1	Authentication mechanism uses password that meets the County Password Security Standard	N	Configurable as desired by LACDHS Application uses ASP.NET forms based authentication stored encrypted in SQL Server. Access to the LACDHS servers running Revenue360 is currently on a shared account. Revenue360 does support the use of domain based individual accounts for support.
3.2	Authentication must take place over a secured/encrypted transport protocol (e.g., HTTPS)	N	Not internet accessible.
3.3	Application login must be integrated with a central department and/or county authentication mechanism (e.g., AD)	N	No integration exists today.
3.4	System encrypts passwords before transmission	N	Not internet accessible.
3.5	Ensure passwords are hashed and salted before storage	Y	
3.6	For public facing applications, implement multi-factor authentication for applications with sensitive (e.g., password) and/or confidential information (e.g., PII, PHI)	NA	Not Public facing

County of Los Angeles Application Security Requirements

Section Number	Security Requirements	Meets RQMTS (Y/N)	Comments / Indicate Any Compensating Controls if Requirements Not Met
4.0	Authorization (Permissions)		
4.1	Users are associated with a well-defined set of roles and privileges	Y	
4.2	Users accessing resources hold valid credentials to do so, for example: <ul style="list-style-type: none"> • User interface (UI) only shows navigation to authorized functions • Server side authorization checks for every function • Server side checks do not solely rely on information provided by user 	Y	
4.3	Role and permission metadata is protected from replay or tampering by using one of the following: <ul style="list-style-type: none"> • Tokens/tickets expires after a single use or after a brief period • Standard authorization/authentication protocol (e.g., SAML, OAuth) 	Y	
5.0	Configuration Management (Database and Application Configuration Security)		
5.1	Database Security: System restricts users from directly accessing the database	Y	No user level accounts
5.2	Application Configuration stores (e.g., web.config, httpd.conf) are secured from unauthorized access and tampering (secure file access permissions)	Y	Server on premise, controlled by LACDHS IT
5.3	Application/database connection credentials need to be encrypted in transit and in storage	Y	
5.4	Application/database connection and service accounts must comply with least privilege principle (must not be database admin account)	Y	
6.0	Data Security		
6.1	Sensitive (e.g., password) and/or confidential data (e.g., PII, PHI) at rest and in transit must be in an encrypted format (i.e., Board of Supervisors Policy No. 5.200)	N	Server on premise, controlled by LACDHS IT, not internet accessible
6.2	Provide database/file encryption for protection of sensitive data fields while the data is at rest (e.g., stored data)	Unknown	Server on premise, controlled by LACDHS IT, not internet accessible

Section Number	Security Requirements	Meets RQMTS (Y/N)	Comments / Indicate Any Compensating Controls if Requirements Not Met
7.0	Audit logging and reporting		
7.1	Application provides audit reports such as configuration, user accounts, roles and privileges	N	Does include audit, but does not include reporting for users
7.2	Auditing and logging an event in the system must include, at a minimum: <ul style="list-style-type: none"> • Successful and unsuccessful logons to application • Security Configuration changes (add, delete users, change roles/group permissions, etc.) • Sensitive business transaction/functions (e.g., override approvals) • All logged information is handled securely and protected as per its data classification 	N	Unsuccessful logons are counted and cause account lockout, but a successful logon clears the count. Configuration changes are audited. All audit data is contained in SQL Server on premise.
7.3	The event parameters logged must include: <ul style="list-style-type: none"> • User or system account ID • Date/time stamp • IP address • Error/event code and type • Type of transaction • User device or peripheral device involved in transactions • Outcome (success or failure) of the event 	Y	
7.4	Audit logs must be compliant with the applicable retention schedule and regulatory requirements	N	Audit log retention matches data retention.
8.0	Reference		
8.1	County Web Application Secure Coding Standards		
8.2	County Password Security Standard		

County of Los Angeles Application Security Requirements

Section Number	Security Requirements	Meets RQMTS (Y/N)	Comments / Indicate Any Compensating Controls if Requirements Not Met
8.3	Database Security Standard		
8.4	County Windows Server Baseline Security Standard		
8.5	Information Technology (IT) Risk Management Standard (CSC 18: Application Software Security)		
8.6	Board of Supervisors Policy No. 5.200 - Contractor Protection of Electronic County Information		
8.7	OWASP Application Security Verification Standard v3		

EXHIBIT I.4

DATA ENCRYPTION CERTIFICATION

EXHIBIT I.4

COMPLIANCE WITH ENCRYPTION REQUIREMENTS

Contractor shall provide information about its encryption practices by completing this Exhibit I.4. By signing this Exhibit I.4, Contractor certifies that it shall be in compliance with the Los Angeles County Board of Supervisors Policy 5.200 (Contractor Protection of Electronic County Information) upon the Effective Date and during the term of the Agreement.

DOCUMENTATION AVAILABLE

COMPLIANCE QUESTIONS			DOCUMENTATION AVAILABLE	
	YES	NO	YES	NO
1) Will County data stored on your workstation(s) be encrypted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2) Will County data stored on your laptop(s) be encrypted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3) Will County data stored on removable media be encrypted?	<input type="checkbox"/>	<input type="checkbox"/> NA – See Note 1	<input type="checkbox"/>	<input type="checkbox"/>
4) Will County data be encrypted when transmitted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5) Will Contractor maintain a copy of any validation/attestation reports generated by its encryption tools?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6) Will County data be stored on remote servers*? <i>*cloud storage, Software-as-a-Service or SaaS</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/> See Note 2	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Note 1: County data is never stored by Provider Advantage on removable media.

Note 2: County data is only stored by Provider Advantage remotely for researching issues and creating features explicitly at the County’s request, and is purged following defined procedures upon completion of work. This information is encrypted when stored remotely.

Official’s Name

Official’s Title

Official’s Signature

EXHIBIT J

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Page 1 of 2

(Note: This certification is to be executed and returned to County with Contractor's executed Agreement. Work cannot begin on the Agreement until County receives this executed document.)

CONTRACTOR NAME _____

Agreement No. _____ H-701910 _____

GENERAL INFORMATION:

The Contractor referenced above has entered into an Agreement with the County of Los Angeles to provide certain services to the County. The County requires the Contractor to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor and the Contractor's employees, consultants, subcontractors and independent contractors (hereinafter "Contractor's Staff") that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of performance of work under the above-referenced Agreement. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles with respect to the above-referenced Agreement.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor understands that if the Contractor and Contractor's Staff are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by the Contractor and Contractor's Staff for the County.

Contractor hereby agrees that the Contractor and Contractor's Staff will not divulge to any unauthorized person any confidential data or information obtained while performing work pursuant to the above-referenced Agreement between Contractor and the County of Los Angeles, except as required by applicable law, regulation or legal process. Contractor and Contractor's Staff agree to forward all requests made to the Contractor and Contractor's Staff for the release of any confidential data or information received to County's Project Manager.

Contractor agrees that the Contractor and Contractor's Staff will keep confidential all health, criminal, and welfare recipient records and all confidential data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor agrees that the Contractor and Contractor's Staff will protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor agrees that if proprietary information supplied by other County vendors is provided during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor agrees to immediately report to the County any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor acknowledges that violation of this agreement by the Contractor and Contractor's Staff may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____