



**KEITH KNOX**  
TREASURER AND TAX COLLECTOR

# COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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ttc.lacounty.gov and propertytax.lacounty.gov

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Fifth District

April 9, 2021

**SENT VIA EMAIL**

Dear Interested Party:

## **REQUEST FOR PROPOSALS FOR THE PROVISION OF TREASURY MANAGEMENT INVESTMENT ACCOUNTING SYSTEM ADDENDUM TWO**

This Addendum Two to the Treasury Management Investment Accounting System Request for Proposals (RFP) provides responses to questions relating to the RFP, and the Statement of Work and updated information related to the RFP. Please note the following:

1. Questions and responses to questions received from Proposers by March 31, 2021, are in Attachment I, Responses to Proposer's Questions.
2. Questions 2 and 6: Subparagraph 7.7, Preparation of the Proposal, and Subparagraph 7.11, Proposal Submission, shall be replaced in their entirety with the revised Subparagraph 7.7, Preparation of the Proposal, and Subparagraph 7.11, Proposal Submission, subparts 1 through 4, and is included as Attachment II to this Addendum.
3. Questions 3 and 5: Word documents for Statement of Work Attachments are included as Attachment III, Attachment IV, and Attachment V to this Addendum.

Please attach this addendum to your RFP.

Should you have any questions, you may contact Maria Vadai of my staff at (213) 974-7360 or [contracts@ttc.lacounty.gov](mailto:contracts@ttc.lacounty.gov).

Very truly yours,

**KEITH KNOX**  
Treasurer and Tax Collector

*Navjot Kaur*

Navjot Kaur  
Administrative Deputy

KK:NK:EVT  
MV:lac

**COUNTY OF LOS ANGELES  
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RESPONSES TO PROPOSER'S QUESTIONS**

No.	Origin of Question	Page #	Paragraph	Language	Question	Response
1	N/A	N/A	N/A	N/A	Would it be possible to receive a word version of Appendix C – Sample Contract so that we can appropriately redline as stated in the RFP requirements? If possible, could this word version be provided sooner than April 8 <sup>th</sup> as an Addendum to the RFP so that each proposer's respective legal teams will have sufficient time to review the sample contract? Thank you for your consideration.	The Word version of both the Sample Contract and the Statement of Work was provided to all attendees of the Mandatory Proposers Conference via email on March 30, 2021 @ 1:02 pm.
2	RFP - Proposal Submission	41, 42	7.11	N/A	Given the COVID-19 landscape and also the idea of being environmentally and socially responsible, would LA County consider removing the requirement to provide five (5) paper copies of the RFP response? This would mean that respondents would need to provide a CD, DVD, or Flash Drive response in addition to the emailed response.	The TTC removed the requirement of providing both hard copies and external devices for proposal submission. Please refer to Attachment II for revisions to the RFP requirements.
3	N/A	N/A	N/A	N/A	Are you able to provide the RFP in Word format?	No. The TTC does not provide the RFP in its entirety in Word but will provide Attachments 5, 6 and 7 of Appendix B2, Statement of Work Attachments and Exhibits, included in this Addendum as Attachment III, Attachment IV and Attachment V.
4	N/A	N/A	N/A	N/A	Would the Department of Treasurer and Tax Collector consider proposals from System Integrators, like Accenture, who would propose industry-leading SaaS treasury investment accounting and compliance monitoring solutions, such as SAP or Oracle?	Yes, System Integrator proposals that meet the RFP Section 3.0, Proposers' Minimum Mandatory Qualifications, including Section 3.2, will be considered.
5	N/A	N/A	N/A	N/A	Would it be possible to send the rest of the RFP in Word format as well so we can begin populating the document with our responses?	No. The TTC does not provide the RFP in its entirety in Word but will provide Attachments 5, 6 and 7 of Appendix B2, Statement of Work Attachments and Exhibits included in this Addendum as Attachment III, Attachment IV and Attachment V.
6	RFP - Proposal Submission	41, 42	7.11	N/A	There is the requirement of printed version(s) on or before April 20th. Would you please consider to agree to an electronic version by that date with a follow up physical copy in the few days after? We are all working remotely due to the pandemic and have not returned to our offices in over a year. Your flexibility on this would be greatly appreciated.	The TTC removed the requirement of providing both hard copies and external devices for proposal submission. Please refer to Attachment II for revisions to the RFP requirements.
7	RFP - Request for Proposals Timetable	24	7.2	N/A	What is the County's anticipated project timeline after proposals are submitted and evaluated? (Section 7.2 Timetable)	We are unable to provide an anticipated project timeline at this time as there are numerous variables that impact the outcome.
8	Appendix A, Statement of Work, Data Conversion	8	6.0	N/A	What is the County's anticipated/preferred conversion schedule from existing systems to the selected system? (Section 6.0 Data Conversion)	TTC is looking for the proposers to provide their most efficient conversion schedule. TTC prefers data conversion to be completed within three to six months of the contract award date.

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No.	Origin of Question	Page #	Paragraph	Language	Question	Response
9	Appendix A, Statement of Work, Investment Compliance & Auditing	6	3.3.1	N/A	The County's investment policy is dated 17 March 2020; the RFP states this policy is updated/adopted annually; is there an updated policy? (SOW Section 3.3.1)	Yes. This policy was updated on March 9, 2021. Please see the link in Appendix A - RFP - SOW Paragraph 1.0, Introduction: <a href="https://ttc.lacounty.gov/investor-information/">https://ttc.lacounty.gov/investor-information/</a>
10	Appendix A, Statement of Work, Interfaces	6	3.4	N/A	Please list and quantify all upstream and downstream systems/sources that will be required to integrate with the investment accounting and compliance monitoring solution (i.e. OMS, EMS, Custodian, external managers, third-party fiduciary relationships, etc.) (Section 3.4, Interfaces)	Please see Appendix A - RFP - SOW Subparagraph 3.4, Interfaces.
11	N/A	N/A	N/A	N/A	Is a managed service being considered as a part of this solicitation, or would the TTC like these responses to be solely from a technology standpoint?	TTC would like these responses to be from a technology standpoint, but yes, we are considering managed service regarding investment data (e.g., marking pricing, credit ratings, etc.).
12	N/A	N/A	N/A	N/A	Please provide risk measurements/disclosure requirements.	Please see the Notes section of our most recent audited Financial Statements at <a href="https://ttc.lacounty.gov/investor-information/">https://ttc.lacounty.gov/investor-information/</a> ; under "Treasury Pool Audit."
13	N/A	N/A	N/A	N/A	Please describe your investment discretion/authority (by lines of business as applicable); please quantify the breakdown between internally and externally managed assets.	All of our assets are managed internally, with the exception of specifically directed investments in the State Local Agency Investment Fund (LAIF) made on behalf of Treasury Pool participants.
14	N/A	N/A	N/A	N/A	Please describe the base currency diversity amongst accounts/portfolios (by lines of business as applicable)	None, we only use the United States Dollar (USD).
15	N/A	N/A	N/A	N/A	Please describe and quantify your account/portfolio structure (by lines of business as applicable).	Please see Appendix A - RFP SOW Attachment 2, Portfolio Structure.
16	N/A	N/A	N/A	N/A	Please quantify average positions by account/portfolio (by lines of business as applicable).	Please see the Monthly Report of Investments at <a href="https://ttc.lacounty.gov/monthly-reports/">https://ttc.lacounty.gov/monthly-reports/</a> ; specifically, Attachment X of the full report.
17	N/A	N/A	N/A	N/A	Please quantify average daily and monthly transaction volumes.	Please see the Monthly Report of Investments at <a href="https://ttc.lacounty.gov/monthly-reports/">https://ttc.lacounty.gov/monthly-reports/</a> ; specifically, Attachment VIII of the full report.
18	N/A	N/A	N/A	N/A	Please describe your existing and anticipated valuation periodicity (by lines of business as applicable).	Existing - monthly. Anticipated - daily or monthly.
19	N/A	N/A	N/A	N/A	Please estimate the number of staff who will engage with the Investment Accounting software.	Please see Appendix A - RFP - SOW Subparagraph 3.1.1.

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No.	Origin of Question	Page #	Paragraph	Language	Question	Response
20	N/A	N/A	N/A	N/A	Please estimate the number of information consumers, managers, overseers, etc. that will receive and interact with detail, summary, and aggregate presentations (i.e. board reports, client statements/books of reports interactive dashboards, etc.). Please provide geographic locations of staff as well.	Please see answer to Question #13. All staff are located in the greater Los Angeles area.
21	N/A	N/A	N/A	N/A	Please describe present workflows for receipt of third-party fiduciary data in electronic and/or physical statement forms.	Please see Appendix A - RFP - SOW Attachment I, Investment Workflow, and Appendix A - RFP - SOW Subparagraph 3.4, Interfaces.
22	N/A	N/A	N/A	N/A	Please describe the periodicity of accounting close processes by chart(s) of accounts and/or lines of business as applicable.	The County's fiscal year runs from July 1 through June 30. We conduct account closing processes once at the end of each fiscal year.
23	N/A	N/A	N/A	N/A	Please describe the periodicity of net asset value (NAV) strike processes by fund and/or lines of business as applicable.	We do not have any NAV strike processes.
24	N/A	N/A	N/A	N/A	Please stipulate any requirements for close-of-market price evaluations for NAV strike process(es) and daily NAV publication deadline(s).	We do not have any NAV strike processes or daily NAV publication deadlines.
25	N/A	N/A	N/A	N/A	Please quantify fund investor accounts by fund and/or lines of business as applicable.	Please see Appendix A - RFP - SOW Attachment 2, Portfolio Structure.
26	N/A	N/A	N/A	N/A	Please quantify the average fund positions per investor account.	Please see the Monthly Report of Investments at <a href="https://tfc.lacounty.gov/monthly-reports/">https://tfc.lacounty.gov/monthly-reports/</a> ; specifically, Attachment X of the full report.
27	N/A	N/A	N/A	N/A	Please quantify the average clients/individuals associated with each investor account.	All of our assets are managed internally. Please see Appendix A - RFP SOW Attachment 2, Portfolio Structure.
28	N/A	N/A	N/A	N/A	Please describe considerations regarding foreign tax withholding reclamation, cash management, and fee management as applicable.	We do not have considerations for foreign tax reclamation, cash management, or fee management.
29	N/A	N/A	N/A	N/A	Please describe considerations for treatment of historical data (i.e. balance forward comprehensive or partial historical data import; for reference only or full book value reconciliation, combination of options, etc.).	Partial historical data import - 5 years of historical data. Combination of for reference only and full book value reconciliation.
30	N/A	N/A	N/A	N/A	Please describe sources, format, and quantify volume of historical data.	The source is the current system, which uses Index Sequential Access Method (ISAM). The data in the current system is 32 megabytes.

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No.	Origin of Question	Page #	Paragraph	Language	Question	Response
31	N/A	N/A	N/A	N/A	Please describe sources, format, and quantify volume of historical performance rates of return data.	Our current system does not have historical performance rates.
32	N/A	N/A	N/A	N/A	Please describe required and anticipated daily, monthly, annual, etc. deliverables; please include expectations for data management (extraction, translation, loading), reconciliation, audit examination, reporting, etc.	Please see Appendix A - RFP - SOW Attachment 3, Reports.
33	RFP, Minimum Requirements: The Proposer must have successfully converted large-scale data from an industry standard database with more than 100 relational tables and at least one million records within the last five years to the proposed solution. The Proposer must provide a list of the Relational Database Management System (RDMS) products and versions with which its product is certified to operate. The Proposer must provide a confirming statement and supporting documentation demonstrating that it meets this requirement.	4	3.4	N/A	While we have done a large number of conversions onto our Investment Accounting platform with large public entities such as LA County, we cannot certify that we have done a conversion that meets the numbers above. If the inability to certify this would disqualify us, please let me know and we will not submit an RFP.	Pursuant to Paragraph 3.0, Proposer's Minimum Mandatory Qualifications, which states, "Interested and qualified Proposers that can demonstrate their ability to successfully provide the required services outlined in Appendix A, SOW, of this RFP are invited to submit proposal(s), provided they meet the following requirements. Where indicated, Proposer must provide a confirming statement and provide supporting documentation in response to meeting the Minimum Mandatory Qualification." A Proposer must meet all Minimum Mandatory Requirements in order to be considered for this solicitation process. To further clarify the nature of this requirement, please be advised that the term "records" includes individual transactions related to a security, including amortization, interest rate changes, etc. To further clarify the nature of this requirement, please be advised that the term "records" includes individual transactions related to a security, including amortization, interest rate changes, etc.

## 7.7 Preparation of the Proposal

7.7.1 Proposers must submit two separate proposals: a Business Proposal and a Cost Proposal, which are ~~bound and~~ submitted in the prescribed format. The County may reject any proposal that deviates from this format as non-responsive without review at the County's sole discretion. ~~All Proposals must be printed on 8 1/2" x 11" white bond paper and shall be individually bound in a secure manner with a protective covering that allows for easy removal of documents marked 'proprietary' or 'confidential.'~~ ~~Section tabs are not required but may be included.~~

7.7.2 Proposer should ensure its proposal includes complete and thorough responses to all requirements within this RFP using its own words and not copy language directly from this RFP. The objective of the proposal submission is for the TTC to ascertain the Proposer's ability to provide the required services. In addition, specific information is requested from all Proposers to ensure that the proposals can be fairly evaluated in a standard manner.

7.7.3 The County assumes no responsibility for any misunderstanding or representations made by any of its employees prior to the execution of a Contract concerning requirements or other conditions related to proposals, unless such requirement or condition is included in the RFP or in an addendum to the RFP.

## 7.11 Proposal Submission

7.11.1 ~~The original Business Proposal and five copies shall be enclosed in a sealed envelope or box, plainly marked in the upper left-hand corner with the name and address of the Proposer and bear the words as follows:~~

~~**"BUSINESS PROPOSAL FOR  
TREASURY MANAGEMENT INVESTMENT  
ACCOUNTING SYSTEM (TMIAS)  
TTC RFP 2021-01 TMIAS"**~~

7.11.2 ~~The original Cost Proposal and two copies must be submitted in a separate sealed package, plainly marked in the upper left-hand corner with the name and address of the Proposer and bear the words:~~

~~**"COST PROPOSAL FOR  
TREASURY MANAGEMENT INVESTMENT  
ACCOUNTING SYSTEM (TMIAS)  
TTC RFP 2021-01 TMIAS"**~~

**7.11.31** The proposal(s) are due by the date and time listed in Subparagraph 7.2, Request for Proposals Timetable, and shall be delivered to:

County of Los Angeles  
Department of Treasurer and Tax Collector  
Contracts Section  
500 West Temple Street, Room 437  
Los Angeles, California 90012  
Email Address: [contracts@ttc.lacounty.gov](mailto:contracts@ttc.lacounty.gov)  
Attention: Maria Vadai

**7.11.42** In addition, Proposers shall submit **one** electronic copy of the Business Proposal and **one** separate electronic copy of the Cost Proposal in searchable Adobe Portable Document Format (PDF) with total file size of the email, including all attachments, not to exceed 35MB. and Also, **one** redacted electronic copy of the Business Proposal and Cost Proposal in searchable Adobe PDF format on separate CD, DVD, or USB Flash Drive at the time of Proposal submission enclosed with the Cost Proposal.

Electronic copies shall be in searchable Adobe PDF format, and organized in the same manner as in the original hard copy of the Business and Cost Proposals. With respect to the requirement to submit a redacted Adobe PDF proposal of its entire Business and Cost Proposals, Proposer shall also submit one separate electronic copy of the Business Proposal and a separate electronic copy of the Cost Proposal in searchable Adobe PDF format, with all confidential, proprietary and trade secret information redacted. The Proposer must specifically redact only those parts of the Business and Cost Proposals that are actual trade secret, confidential, or proprietary in nature. Blanket or categorical redactions and/or statements of confidentiality, or the marking of every page as "Trade Secret," "Confidential," or "Proprietary," is not acceptable.

**7.11.3** The subject line of the email for the Business and Cost Proposals must state:

**“BUSINESS AND COST PROPOSALS FOR  
TREASURY MANAGEMENT INVESTMENT  
ACCOUNTING SYSTEM (TMIAS)  
TTC RFP 2021-01 TMIAS”**

**7.11.54** It is the sole responsibility of the submitting Proposer to ensure that the TTC receives its proposal before the submission

deadline. Submitting Proposers shall bear all risks associated with delays in ~~delivery by any person or entity, including the U.S. Mail.~~ submitting the electronic copies of its proposals. Any proposals received after the scheduled closing date and time for receipt of proposals, as listed in Subparagraph 7.2, Request for Proposals Timetable, will not be accepted and returned to the sender unopened. Timely hand-delivered proposals are acceptable. No facsimile ~~or email~~ copies will be accepted.



**ATTACHMENT 5**

**SYSTEM TRAINING**

## **SYSTEM TRAINING**

### **I. INTRODUCTION**

Contractor shall provide Technical and End User training as set forth herein at the County of Los Angeles Treasurer and Tax Collector (TTC) site. The training must include all the modules that the TTC needs to attain the functionality stated in the Statement of Work (SOW), Appendix B. System training may be conducted virtually using a video conferencing method agreed upon by the TTC or at the TTC's Training Room.

Contractor shall provide all needed training sessions, as determined by the TTC. Training shall incorporate traditional training methods including, but not limited to, hands-on classroom training and materials (i.e., training manual, reference guides, desk aids, etc.) and knowledge transfer strategy, mutually agreed upon by the TTC and contractor, to prepare the TTC staff to utilize the system after it is placed into production. Contractor shall customize each training session to accommodate Technical and End User staff, covering areas that pertain to the specific business requirements of each training group.

### **II. SCOPE OF TRAINING**

#### **A. TECHNICAL TRAINING**

Contractor shall provide Technical Training for the TTC's technical staff designated by the TTC in accordance with the course outline set forth below.

##### **1. Introduction**

The role and responsibility of the Contractor and the TTC staff on the usage of the application with all its modules.

##### **2. Features of the System (includes features unique to the County)**

- a. System Administration
- b. Interface of the new System with the TTC's in-house application.
- c. Interface of the new System with the TTC's Custodial Bank.
- d. Interface of the new System with the credit rating agencies.

##### **3. Software of Workstations**

- a. Client workstations installation and support
- b. Third Party Software
- c. User Setup and Audit Controls

4. **Processes** (includes hands on practice)
  - a. Reports' Retrieval, customization, and Generation
  - b. Menu Hierarchy and Navigation
  - c. Interface of the new System with the TTC's in-house application.
  - d. Interface of the new System with the TTC's Custodial Bank.
  - e. Interface of the new System with the credit rating agencies.
  - f. How to setup, run, and export files into different file formats as specified by the TTC.
  
5. **Reports – The Management Tool**
  - a. Staff Training to utilize the integrated report writing tool to modify or develop new custom reports.
  
6. **Modifications to the System**
  - a. On-site, post-implementation support (e.g., one month of on-site support after go-live, on-site support during initial implementation, optional "as-needed" support 7 days a week).
  - b. Delivery method of upgrades and product enhancements, including historical frequency of upgrades by module.
  - c. Help Desk, problem reporting, and resolution procedures, including customer service organizational chart and internal escalation procedures with defined support levels.
  
7. **Question and Answer Session**
  
8. **Evaluation**

**B. END USER TRAINING**

Contractor shall provide System training for End User staff, designated by the TTC, in accordance with the course outline set forth below.

Contractor shall design each training session to cover subjects geared toward the business function of each training group, as indicated in Section I (Introduction) above. Not all Work Flow and Processes subjects/topics may be covered at each individual training session.

1. **Introduction**
  
2. **Features of the System**
  
3. **Software of all Workstations**
  - a. How to access the new System using the Client software.
  - b. How to use all the modules included in the new System.

- 4. Work Flow and Processes** (includes hands on practice)
  - a. Report Retrieval and Generation
  - b. Menu Hierarchy and Navigation
  - c. Inquiry Response
  - d. Account Setup and Changes
  - e. Investment Accounting Transactions
  - f. Investment Approval process and Workflow Monitoring
  - g. Market Pricing Process
  - h. Interest Allocation
  - i. Investment Compliance Monitoring
  - j. Banking Data Retrieval and Manipulation
  - k. Table Maintenance
  - l. Forecasting Models Setup and Variations
  - m. Specialized Screens
  - n. Support
  
- 5. Reports – The Management Tool**
  - a. Staff Training to utilize the integrated report writing tool to modify or develop new custom reports.
  
- 6. Question and Answer Session**
  
- 7. Evaluation**

**ATTACHMENT 6**

**MAINTENANCE AND SUPPORT SERVICES**

## **GENERAL**

Capitalized terms used in this Attachment 6 (Maintenance and Support Services) without definition shall have the meanings given to such terms in the body of the Contract.

Contractor shall provide Maintenance and Support Services in accordance with the requirements set forth in the Statement of Work (SOW) of the Contract and this Attachment 6, Maintenance and Support Services include Maintenance Services and Support Services, both as more fully described below.

Maintenance and Support Services shall commence in accordance with the provisions set forth in Paragraph 11.0, Provide Maintenance and Support, of the SOW and shall continue for the term of the Contract, if so elected by the County of Los Angeles (County). Contractor shall support all System Software components (including, without limitation, Contractor-provided Third-Party Software) of its most current architecture and its most current software versions, including the two most recent software versions, for the term of the Contract.

Contractor shall provide Maintenance and Support Services for the System Software from Contractor's business premises and/or from the County facilities as necessary to fulfill its obligations under the Contract. Authorized County staff may submit a request for Maintenance Services and/or Support Services via e-mail or telephone. Maintenance Services shall include Contractor performing the tasks outlined below.

When providing a quote for custom programming, the Contractor shall also provide a quote for additional Maintenance and Support costs, if any, related to the proposed custom programming.

### **1. MAINTENANCE SERVICES**

Contractor shall provide Maintenance Services for the System as described in this Attachment 6 and in the SOW generally (collectively, "Maintenance Services"). As part of its Maintenance Services, Contractor shall provide ongoing maintenance in respect of the System Software and Updates to the System Software.

#### **A. UPDATES**

Contractor, at no additional cost to the County beyond the Maintenance Fees set forth in Section 4, Maintenance and Support, of Exhibit B, Pricing Schedule, shall provide Updates to System Software to keep

current with County technology and industry standards, supplemental software, and applicable third-party software upgrades, enhancements, updates, patches, bug fixes, etc. in accordance with this Attachment 6. In the event, the County elects to replace any County-managed software, Contractor's responsibility for providing Updates and/or programming modifications to System Software for the purpose of reestablishing compatibility with the new County-managed software shall be limited to 40 hours per year. Any Updates and/or programming modifications provided for such purpose above and beyond the allocated 40 hours per year shall be provided by the Contractor upon the County's approval using Pool Dollars in accordance with Paragraph 11, Provide Maintenance and Support.

Without limiting the other provisions of the Contract including, without limitation, this Attachment 6, such Updates shall be provided to the County as soon as they're available unless otherwise agreed by the County and Contractor. Contractor shall offer to the County Updates and all documentation related thereto promptly after the creation thereof.

Contractor shall notify and coordinate with the County for all Updates. The Contractor shall not install any Updates without the written consent of the County. Without limiting Section I (General) of this Attachment IV, installation of each Update shall be subject to prior written approval of the County's Project Manager. Contractor's provision and installation of such Updates to the System Software shall be at no additional cost to the County beyond the Maintenance Fees. Any Updates necessary to remedy security problems in the System Software (e.g., closing "back doors" or other intrusion-related problems), whether identified by the Contractor, the County or a third-party, shall be provided to the County within five calendar days of Contractor's knowledge of the existence of such security problems, except with zero day patches where the patch shall be released to the TTC the same day unless agreed to otherwise.

In the event it is determined that any required Update is not compatible with the System Software, Contractor shall provide the County with a workaround to protect the integrity and security of the System Software until such time as the Deficiency is corrected.

**B. NON-REQUESTED UPDATES**

The Contractor shall provide 180 days notice for any software updates. The Contractor shall provide documentation on all changes and affected

functions in the System.

The following will be provided to the County at no additional fees or charges:

- Testing environment
- Test Plan approved by the County

The Contractor shall successfully complete User Acceptance Testing based on the Test Plan prior to implementing the update in Training and Production environments.

The Contractor shall fix any issues discovered during testing at no additional charge to the County.

## **2. SUPPORT SERVICES**

Contractor shall provide Support Services for the System as described in this Attachment 6 and this Contract generally (collectively, "Support Services"). As part of its Support Services, Contractor shall provide operational support for the System during the support hours from 6:00 a.m. to 7:00 p.m. Pacific Time, Monday through Friday, and as needed, on holidays and weekends, which shall include, without limitation, providing a point of contact for all System problems by maintaining a service desk and on site System Software Support. Such operational support shall include Support Services to correct any failure of the application software and to remedy Deficiencies (collectively, "Correction of Deficiencies"), such that the System Software operates in accordance with Specifications and the functional requirements including, without limitation, response times.

### **A. IDENTIFICATION OF DEFICIENCIES**

Upon occurrence of a Deficiency, the County shall report the Deficiency to the Contractor's help desk for resolution in accordance with Schedule D.1, Incident Tracking.

The severity level of the Deficiency shall be assigned by the County in its sole discretion. Based on Contractor's proposed solution and/or workaround(s) for the Deficiency, the County may, in its sole discretion, reevaluate and, if it so chooses, escalate or downgrade the severity level of the Deficiency pursuant to Section III (Severity Level Adjustment) of



Schedule D.2, Performance Requirements Summary/Correction of Deficiencies.

**B. CORRECTION OF DEFICIENCIES**

Contractor shall resolve each deficiency reported hereunder in accordance with the time frames specified in Schedule D.2, Performance Requirements Summary/Correction of Deficiencies, for such Deficiency's severity level, as escalated or downgraded in accordance with Section III, Severity Level Adjustment, of Schedule D.2, Performance Requirements Summary/Correction of Deficiencies, if applicable. The time in which Contractor must resolve each Deficiency for the purpose of Schedule D.2, Performance Requirements Summary/Correction of Deficiencies, shall start tolling when the County notifies Contractor of such Deficiency by telephone or otherwise, including Contractor's Incident Tracking System as more fully described in Schedule D.1, and shall end upon resolution of said Deficiency. The actual resolution time for Deficiency solving shall not exceed the maximum resolution times set forth in Section I, Problem Correction Priority, of Schedule D.2, Performance Requirements Summary/Correction of Deficiencies.

If Contractor recommends an upgrade, repair, or replacement of any component of the System environment in order to remedy a response time Deficiency, the County shall make such upgrade, repair, or replacement in accordance with Contractor's recommendation. The cost of such System alteration shall be incurred in accordance with the SOW. In any event, if the Deficiency is not solved by such System alteration, Contractor shall reimburse the County for any and all amounts expended by the County based upon Contractor's recommended System alteration.

**C. SYSTEM PERFORMANCE REQUIREMENTS**

For purposes of this Attachment 6 and the Contract generally, the System's failure to meet the System Performance Requirements set forth in Schedule D.2, Performance Requirements Summary/Correction of Deficiencies, constitutes a Deficiency (collectively, "Response Time Deficiency"). In accordance with the Schedule D.2, Contractor shall correct all Response Time Deficiencies.

The County, from time to time, may request that Contractor evaluate and report System performance relative to the agreed upon System Performance Requirements set forth in Schedule D.2, Performance

Requirements Summary/Correction of Deficiencies. Contractor shall so evaluate and report on the performance status in accordance with a monitoring plan mutually agreed upon between the County's Project Manager and Contractor's Project Manager in connection with the County's request.

On a monthly basis, the Contractor shall provide the County with a report of both resolved and outstanding System issues. This shall include, at a minimum, a brief description of the problem, the date the problem was reported, the date the problem was resolved (unless outstanding), and the current status.

**D. REMOTE SUPPORT**

When Contractor requires connection to the Treasurer and Tax Collector (TTC) system and/or any other County system remotely, Contractor shall adhere to the TTC's remote support policy which requires connection to the TTC network via a secure Virtual Private Network (VPN) Web portal provided by the TTC. Any client software required for this VPN Web portal must be installed on Contractor's support personnel workstations to allow secure connections.

## **SCHEDULE D.1 – INCIDENT TRACKING**

### 1) INTRODUCTION

Contractor shall implement and maintain an automated Incident Tracking System (ITS), which shall be used to record and respond to Deficiencies identified by the County to Contractor. Contractor shall provide secured access to an Internet Website to allow County access 24 hours a day seven days a week to report problems, report incidents/request services, monitor progress on unresolved incident report/request, access knowledgebase database, and generate reports. The automated ITS maintained by the Contractor shall include, at a minimum, the following data entry fields:

- a) Identification Number: Each incident reported shall be automatically assigned a unique identification number, which shall be used to track, document, and or respond to queries regarding activities relating to a specific service request;
- b) Date and Time: Each incident reported shall include the date and time the service request was first initiated, which shall be used to document and/or monitor response time;
- c) Contact Person: Each incident reported shall include the name, title, and telephone number of the person initiating the service request, who shall be used as the point of contact for inquiries regarding the request;
- d) Service Description: Each incident reported shall include a detailed description of the problem encountered, which shall be used to investigate, reproduce, verify, and resolve the problem encountered;
- e) Service type: Each incident reported will be assigned a Severity Level I, II, or III designation, according to Schedule D.2, Performance Requirements/Correction of Deficiencies, which shall be used in determining the applicable Resolution Time;
- f) Capability to attach supporting documentation (e.g., screen prints, report samples, etc.); and

g) Resolution Status and estimated date of resolution.

2) COUNTY RESPONSIBILITIES

- a) The County shall identify County staff authorized to access and initiate online incident reports/service requests via Contractor's automated ITS.
- b) The County shall be responsible for determining the Severity Level assigned to each incident of Deficiency discovered by the County.
- c) The County shall be responsible for follow-up and initiating incident reports via the automated ITS.
- d) The County shall be responsible for confirming that an online ITS incident report/service request has been complete.

3) CONTRACTOR RESPONSIBILITIES

- a) Contractor shall notify the County of any and all discovered Deficiencies.
- b) Contractor shall respond to all new service requests from the County according to the timelines listed in Schedule D.2, Performance Requirements Summary/Correction of Deficiencies.
- c) Contractor shall provide a monthly report of all open ITS items and all ITS items that were resolved within that month.

**SCHEDULE D.2 - PERFORMANCE REQUIREMENTS SUMMARY/CORRECTION OF DEFICIENCIES**

1) INTRODUCTION

This Performance Requirements Summary defines the Performance Requirements in terms of Response Time and Problem Resolution Time for reported issues where the minimum acceptable system performance level is deemed Deficient (Deficiency), requiring corrective action by the Contractor. The County expects a high standard of performance for the required services. The County of Los Angeles (County) will work with the Contractor to resolve any areas of deficiency brought to the attention of the County by the Contractor

before the allowable deviation from the minimum acceptable performance level occurs. However, Contractor is expected to comply with all terms of this Agreement, not just the specific Performance Requirements set forth herein.

2) **CORRECTIVE ACTION**

Contractor shall meet the Performance Requirements listed in Section 3 of this Schedule D.2. Contractor shall notify the County of any failures or degradations in the Performance Levels immediately upon Contractor's becoming aware of any such failure or degradation. Notwithstanding Contractor's obligation to continue to perform as required under the terms of this Agreement and County's remedies set forth in this Schedule D.2, in the event of a Deficiency, Contractor shall use best efforts to determine the cause of the Deficiency and to correct the problem as specified in Section 3 of this Schedule D.2.

3) **PERFORMANCE REQUIREMENTS**

County shall assign one of the following Severity Levels to each County Deficiency incident submitted to the Contractor in accordance with Schedule D.1, Incident Tracking:

Severity Level	Severity Indicator	Nature of Deficiency	Response Time Goal	Problem Resolution Time Frame
I	Critical Problem	Problem is stopping Production Use.	System Software 30 minutes System Hardware 1 hour (if applicable)	System Software 4 hours System Hardware 4 hours (if applicable)
II	Urgent Problem	Problem is deterring Users from meeting schedules or is increasing time to complete normal business activities.	System Software 30 minutes System Hardware 1 hour (if applicable)	System Software 6 hours System Hardware 8 hours (if applicable)
III	Minor Problem	Inconsistencies or irregularities that cause inconvenience.	System Software 30 minutes System Hardware 1 hour (if applicable)	System Software 6 hours System Hardware 8 hours (if applicable)

IV	Issue	Issues involving training, environment issues, assistance with ending data reports, or to schedule future software upgrades.	System Software 30 minutes System Hardware 1 hour (if applicable)	Within 15 working days or such other period as agreed to between the County's Project Director and the Contractor's Project Director.
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4) **PROBLEM RESOLUTION PROCESS**

a) **Severity Level I:**

- i) Contractor shall provide the best level of effort to correct any Deficiency as specified in Schedule D.1, Incident Tracking. If a Deficiency cannot be corrected within the Maximum Resolution Time specified above, Contractor shall communicate with the County's Project Manager and provide an estimated time for completing the correction. The parties will jointly cooperate during this period of time.
- ii) In the event the Deficiency cannot be corrected within the estimated time, Contractor shall immediately notify the County's Project Manager and the parties will work together to define an updated estimate for the time needed for correction.
- iii) This process will be repeated until the correction is approved by the County's Project Manager, upon which approval, County's Project Manager will notify the County's Project Director.
- iv) The County may impose Failure to Perform Assessments in accordance with Section 6, Failure to Perform Assessments, of this Schedule D.2, if the Deficiency is not resolved within the Maximum Resolution Time allocated therefore.

b) **Severity Level II:**

- i) Contractor shall provide the best level of effort to correct any Deficiency as specified in Schedule D.1, Incident Tracking. If the Deficiency cannot be corrected within the Maximum Resolution Time specified above, Contractor shall communicate with the County's Project Manager and provide an estimated time for

- completing the correction. The parties will jointly cooperate during this period of time.
- ii) In the event the Deficiency cannot be corrected within the estimated time, Contractor shall immediately notify the County's Project Manager and the parties will work together to define an updated estimate for the time needed for correction.
  - iii) This process will be repeated until the correction is approved by the County's Project Manager, upon which approval the County's Project Manager will notify the County's Project Director.
  - iv) The County may impose Failure to Perform Assessments in accordance with Section 6, Failure to Perform Assessments, of this Schedule D.2, if the Deficiency is not resolved within the Maximum Resolution Time allocated therefore.
- c) Severity Level III:
- i) Contractor shall provide the best level of effort to correct any Deficiency as specified in Schedule D.1, Incident Tracking. If the Deficiency cannot be corrected within the Maximum Resolution Time specified above, Contractor shall communicate with the County's Project Manager and provide an estimated time for completing the correction. The parties will jointly cooperate during this period of time.
  - ii) In the event the Deficiency cannot be corrected within the estimated time, Contractor shall immediately notify the County's Project Manager and the parties will work together to define an updated estimate for the time needed for correction.
  - iii) This process will be repeated until the correction is approved by the County's Project Manager, upon which approval the County's Project Manager will notify the County's Project Director.
  - iv) The County may impose Failure to Perform Assessments in accordance with Section 6, Failure to Perform Assessments, of this Schedule D.2, if the Deficiency is not resolved within the Maximum Resolution Time allocated therefore.
- d) Severity Level IV:
- i) Contractor shall, upon identification or notification by the County's Project Manager, correct any Severity Level IV Deficiency(ies) within 15 working days, unless otherwise agreed to between the County's Project Director and Contractor's Project Director.

- ii) The County may impose Failure to Perform Assessments in accordance with Section 6, Failure to Perform Assessments, of this Schedule D.2, if the Deficiency is not resolved within the Maximum Resolution Time allocated therefore.

5) SEVERITY LEVEL ADJUSTMENT

The County, in its sole discretion, may escalate or downgrade a Severity Level of a Deficiency if the Deficiency meets the definition of the Severity Level as escalated or downgraded. At the time the Deficiency is escalated or downgraded, an appropriate timeline will be applied for resolution of such Deficiency in accordance with Section 3, Performance Requirements, of this Schedule D.2.

6) FAILURE TO PERFORM ASSESSMENTS

a) General:

“Failure to Perform Assessments” shall be imposed for Contractor’s failure to timely resolve Deficiencies in accordance with Section 1, Problem Correction Priority, based on the following frequency:

- Any Severity Level I Deficiency
- Any Severity Level II Deficiency
- The occurrence of three or more Severity Level III Deficiencies in any single calendar month.
- The occurrence of three or more Severity Level IV Deficiencies in any single calendar month (unless otherwise agreed to by the respective Project Directors).

b) Severity Level I, II, and III Deficiencies:

Without limiting any other rights and remedies available to the County, either pursuant to this Agreement, by law, or in equity, the County shall be entitled to Failure to Perform Assessments in the event that Contractor fails to correct a Deficiency within the timeframes set forth in Section 3, Performance Requirements, and within the frequency as set forth in Section 6, Failure to Perform Assessments, of this Schedule D.2. Failure to Perform Assessments shall not be imposed for downtime occurring during mutually agreed upon scheduled shutdown of the System



Hardware, System Software, or Application Software for preventive maintenance or Response Time testing. Failure to Perform Assessments additionally shall not be issued for Downtime resulting from use of the Application Software by the County other than as instructed by the Contractor.

- c) Imposition of Failure to Perform Assessments:
- i) If Contractor fails to correct any Deficiency within the timeframes and frequency set forth in this Schedule D.2, then in each instance the County may, in its sole discretion, assess Failure to Perform Assessments calculated as set forth below:
    - A. For each Severity Level I Deficiency, a Failure to Perform Assessment equal to \$500 per day will be imposed for each day a Severity Level I Deficiency continues beyond the Problem Resolution Time Frame allowed in Section 3 of this Schedule D.2.
    - B. For each Severity Level II Deficiency, a Failure to Perform Assessment equal to \$300 per day will be imposed for each day one a Severity Level II Deficiency continues beyond the Problem Resolution Time Frame allowed in Section 3 of this Schedule D.2.
- The amount of time elapsed for the calculation of Downtime Credits will be determined by the timestamp or other evidence issued by the ITS referenced in Schedule D.1 at such time as a service request is sent by the County to Contractor.
- C. If during any calendar month, three or more Severity Level III Deficiencies are not resolved within the Problem Resolution Time Frame allowed in Section 3 of this Schedule D.2, a Failure to Perform Assessment equal to \$500 will be imposed.
  - D. If during any calendar month, three or more Severity Level IV Deficiencies are not resolved within the Problem Resolution Time Frame allowed in Section 3 of this Schedule D.2, a Failure to Perform Assessment equal to \$300 will be imposed.

- ii) The cumulative total of all Failure to Perform Assessments accruing during any one calendar month shall not exceed the average monthly Maintenance Fees payable by the County to Contractor.
- iii) Notwithstanding anything to the contrary set forth in this Schedule D.2, the body of Exhibit D, Maintenance and Support Services or other Schedules thereto, any Failure to Perform Assessments imposed by the County as a result of a Deficiency shall be based upon the County's escalated or downgraded Severity Level, if applicable, assigned to such Deficiency in accordance with Section 5, Severity Level Adjustment, of this Schedule D.2.
- iv) Any imposed Failure to Perform Assessments shall be billed by the County and payable by the Contractor within 45 days.

**INFORMATION SECURITY AND PRIVACY REQUIREMENTS**



# **INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT**

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Exhibit to the Statement of Work “Information Security, and Privacy Requirements Exhibit,” (“Attachment 7”) sets forth in detail the County and the Contractor’s commitment and agreement to fulfill each of their obligations under applicable State or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Contractor shall establish all Information Security, and Privacy Requirements within ten business days prior to the Effective Date of the Contract and maintain all Information Security and Privacy Requirements throughout the entire Contract term.

These requirements and procedures contained in this “Attachment 7” are incorporated by reference into the Terms and Conditions of the Contract and constitute a minimum standard for Information Security and Privacy Requirements in conjunction with the requirements of the Contract between the County and Contractor (the “Contract”). It is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise all measures pertaining to any ongoing Threats and Risks. Failure to comply with the minimum Information Security and Privacy Requirements set forth in this “Attachment 7” herein incorporated by reference into the Terms and Conditions of the Contract shall constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. The Terms and Conditions of the Contract shall govern and control unless stated otherwise in the Contract.

## **1. DEFINITIONS**

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.

- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.
- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** a formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is

subject to exploitation or misuse.

- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

## **2. INFORMATION SECURITY AND PRIVACY PROGRAMS**

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures shall be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
  - Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
  - Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
  - Protect against accidental loss or destruction of, or damage to, County Information; and
  - Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.
- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and

appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training shall be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

### **3. PROPERTY RIGHTS TO COUNTY INFORMATION**

All County Information is deemed property of the County, and the County shall retain exclusive rights and ownership thereto. County Information shall not be used by the Contractor for any purpose other than as required under this Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

#### **4. CONTRACTOR'S USE OF COUNTY INFORMATION**

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

#### **5. SHARING COUNTY INFORMATION AND DATA**

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

#### **6. CONFIDENTIALITY**

- a. **Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential."
- b. **Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use," "Confidential," or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights



provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 13 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.

- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

## **7. SUBCONTRACTORS AND THIRD PARTIES**

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit within ten business days upon receiving TTC's written approval and prior to performing any work under the Contract, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor shall obtain advanced approval from the Treasurer and Tax Collector in conjunction with the approval of County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

## **8. STORAGE AND TRANSMISSION OF COUNTY INFORMATION**

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security

(IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

## **9. RETURN OR DESTRUCTION OF COUNTY INFORMATION**

The Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor shall (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the 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 the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor shall return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.
- b. **Method of Destruction.** The Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization," such that the County Information cannot be

retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten days of termination or expiration of the Contract or at any time upon the County's request. On termination or expiration of this Contract, the County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County's option.

## **10. PHYSICAL AND ENVIRONMENTAL SECURITY**

All Contractor facilities that process County Information will be located 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.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

## **11. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY**

The Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 13 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes back-ups to removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such back-ups shall be encrypted in compliance with the encryption requirements noted above in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

## **12. ACCESS CONTROL**

Subject to and without limiting the requirements under Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Manager in writing; and (ii) if transferred using removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, 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 industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 13 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information has been eradicated from such hardware and/or media using industry best practices as discussed in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

## **13. SECURITY AND PRIVACY INCIDENTS**

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within 24 hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone to the individuals

listed on Exhibit E, County's Administration.

- b. Include the following Information in all notices:
  - i. The date and time of discovery of the Incident,
  - ii. The approximate date and time of the Incident,
  - iii. A description of the type of County Information involved in the reported Incident, and
  - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
  - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.
- d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, the County, law firms, and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
- f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, the Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

#### **14. NON-EXCLUSIVE EQUITABLE REMEDY**

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County 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 are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

#### **15. AUDIT AND INSPECTION**

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow-up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request, the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise

unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

**ADDENDUM A: SOFTWARE AS A SERVICE (SaaS)**

- a. **License:** Subject to the terms and conditions set forth in this Contract, including payment of the license fees by to the Contractor, the Contractor hereby grants to County a non-exclusive, non-transferable worldwide County license to use the SaaS, as well as any documentation and training materials, during the term of this Contract to enable the County to use the full benefits of the SaaS and achieve the purposes stated herein.
- b. **Business Continuity:** In the event that the Contractor's infrastructure containing or processing County Information becomes lost, altered, damaged, interrupted, destroyed, or otherwise limited in functionality in a way that affects the County's use of the SaaS, the Contractor shall immediately and within 24 hours implement the Contractor's Business Continuity Plan, consistent with Section 11 OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY, such that the Contractor can continue to provide full functionality of the SaaS as described in the Contract.

The Contractor will indemnify the County for any claims, losses, or damages arising out of the County's inability to use the SaaS consistent with the Contract Subparagraph 7.8, Confidentiality.

The Contractor shall include in its Business Continuity Plan service offering, a means for segmenting and distributing IT infrastructure, disaster recovery and mirrored critical system, among any other measures reasonably necessary to ensure business continuity and provision of the SaaS.

In the event that the SaaS is interrupted, the County Information may be accessed and retrieved within two hours at any point in time. To the extent the Contractor hosts County Information related to the SaaS, the Contractor shall create daily back-ups of all County Information related to the County's use of the SaaS in a segmented or off-site "hardened" environment in a manner that ensures back-ups are secure consistent with cybersecurity requirements described in this Contract and available when needed.

- c. **Enhancements:** Upgrades, replacements and new versions: The Contractor agrees to provide to County, at no cost, prior to, and during installation and implementation of the SaaS any software/firmware enhancements, upgrades, and replacements which the Contractor initiates or generates that are within the scope of the SaaS and that are made available at no charge to the Contractor's other customers.

During the term of this Contract, the Contractor shall promptly notify the County of any available updates, enhancements or newer versions of the SaaS, and within 30 days, update or provide the new version to the County. The Contractor shall provide any accompanying documentation in the form of new or revised documentation necessary to enable the County to understand and use the enhanced, updated, or replaced SaaS.

During the Contract term, the Contractor shall not delete or disable a feature or functionality of the SaaS unless the Contractor provides 60 days advance notice



and the County provides written consent to delete or disable the feature or functionality. Should there be a replacement feature or functionality, the County shall have the sole discretion whether to accept such replacement. The replacement shall be at no additional cost to the County. If the Contractor fails to abide by the obligations in this section, the County reserves the right to terminate the Contract for material breach and receive a pro-rated refund.

- d. **Location of County Information:** The Contractor warrants and represents that it shall store and process County Information only in the continental United States and that at no time will County Data traverse the borders of the continental United States in an unencrypted manner.
- e. **Audit and Certification:** The Contractor agrees to conduct an annual System and Organization Controls (SOC 2 type II) audit or equivalent (i.e., The International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) 27001:2013 certification audit or Health Information Trust Alliance (HITRUST) Common Security Framework certification audit) of its internal controls for security, availability, integrity, confidentiality, and privacy. The Contractor shall have a process for correcting control deficiencies that have been identified in the audit, including follow-up documentation providing evidence of such corrections. The results of the audit and the Contractor's plan for addressing or resolving the audit findings shall be shared with County's Chief Information Security Officer within ten business days of the Contractor's receipt of the audit results. The Contractor agrees to provide County with the current audit certifications upon request.
- f. **Services Provided by a Subcontractor:** Prior to the use of any Subcontractor for the SaaS under this Contract, the Contractor shall notify County of the proposed subcontractor(s) and the purposes for which they may be engaged at least 30 days prior to engaging the Subcontractor and obtain written consent of the County's Contract Administrator.
- g. **Information Import Requirements at Termination:** Within one day of notification of termination of this Contract, the Contractor shall provide County with a complete, portable, and secure copy of all County Information, including all schema and transformation definitions and/or delimited text files with documented, detailed schema definitions along with attachments in a format to be determined by County upon termination.
- h. **Termination Assistance Services:** During the 90 day period prior to, and/or following the expiration or termination of this Contract, in whole or in part, the Contractor agrees to provide reasonable termination assistance services at no additional cost to County, which may include:
  - i. Developing a plan for the orderly transition of the terminated or expired SaaS from the Contractor to a successor;
  - ii. Providing reasonable training to County staff or a successor in the performance of the SaaS being performed by the Contractor;
  - iii. Using its best efforts to assist and make available to the County any third-

party services then being used by the Contractor in connection with the SaaS;  
and

- iv. Such other activities upon which the Parties may reasonably agree.